TENET FINTECH GROUP INC.

(Formerly Peak Fintech Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) provides Management's point of view on the financial position and results of operations of Tenet Fintech Group Inc. (formerly Peak Fintech Group Inc.), on a consolidated basis, for the year ended December 31, 2022 (fiscal 2022) and December 31, 2021 (fiscal 2021).

Unless otherwise indicated or unless the context requires otherwise, all references in this MD&A to "Tenet", the "Company", "we", "us", "our" or similar terms refer to Tenet Fintech Group Inc. on a consolidated basis. This MD&A is dated March 30, 2023 and should be read in conjunction with the Audited Consolidated Financial Statements and the notes thereto for the year ended December 31, 2022. Unless specified otherwise, all amounts are in Canadian dollars.

The financial information contained in this MD&A relating to the Audited Consolidated Financial Statements for the year ended December 31, 2022 and December 31, 2021, has been prepared in accordance with International Financial Reporting Standards (IFRS).

The Audited Consolidated Financial Statements and MD&A have been reviewed by our Audit and Risk Management Committee and approved by our Board of Directors as of March 30, 2023.

Forward Looking Information

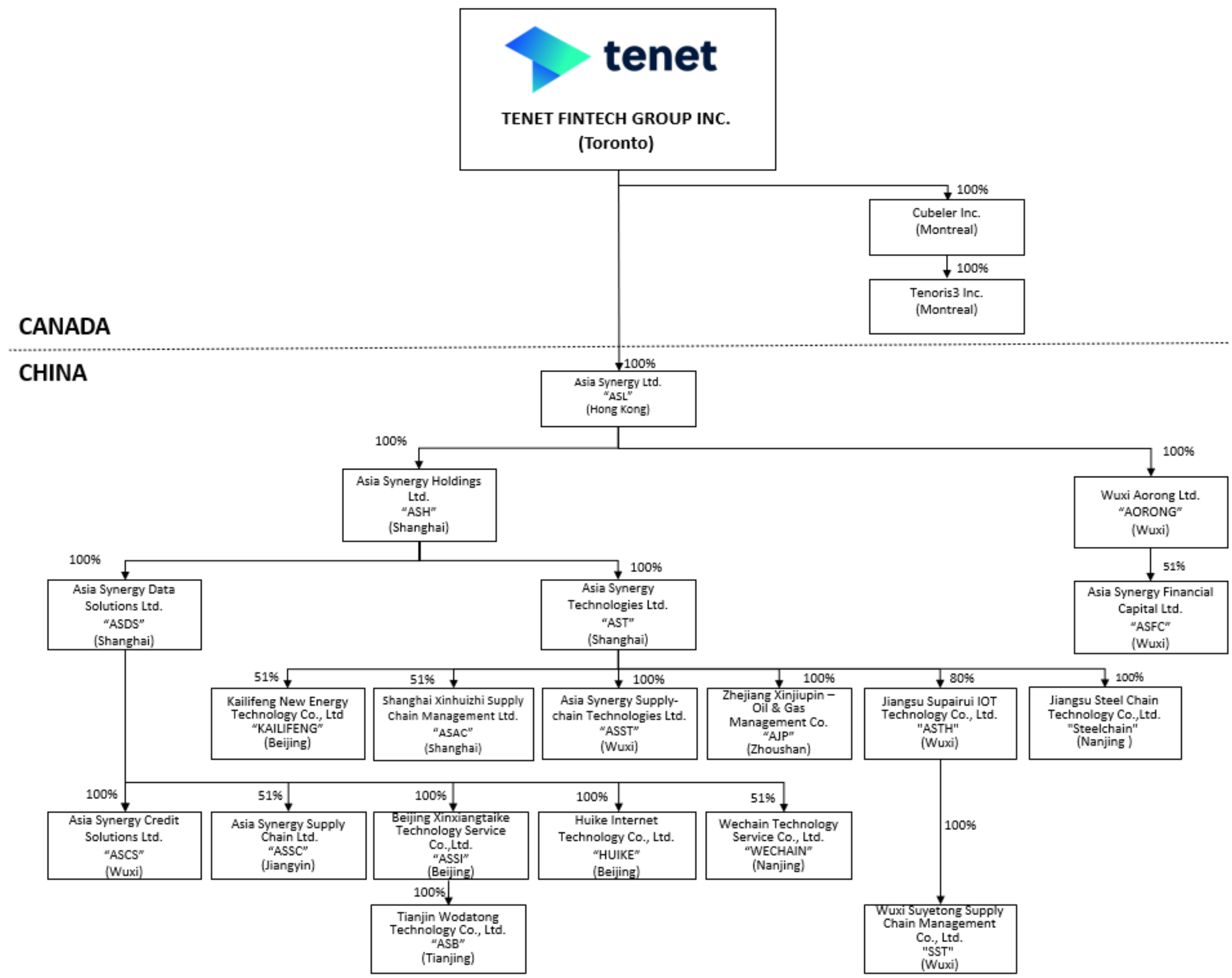
Certain statements included in this MD&A constitute "forward-looking statements" under Canadian securities law, including statements based on management's assessment and assumptions and publicly available information with respect to the Company. By their nature, forward-looking statements involve risks, uncertainties, and assumptions. The Company cautions that its 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 which 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 (ex.: 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 needs, 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 this 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.

Structure

The following chart summarizes the corporate structure of the Company as of March 30, 2023.



BUSINESS OVERVIEW

Tenet (CSE: PKK) (OTC: PKKFF), is the parent company of a group of innovative financial technology (Fintech) and artificial intelligence (AI) companies. Tenet's subsidiaries provide various analytics and AI-based services to businesses and financial institutions through the Business Hub™, a global ecosystem where analytics and AI are used to create opportunities and facilitate B2B transactions among its members.

OPERATING HIGHLIGHTS FOR THE QUARTER

Canadian Operations

The Company's Canadian operations focused on the launch of its Business Hub in Canada during the quarter. After months of preparation following the Company's acquisition of Cubeler Inc. in the fall of 2021, a period during which the Company hired over 60 employees and opened a second office in Canada, Tenet officially began operating the Business Hub outside of China on November 30, 2022 with six financial institutions and approximately 5,000 pre-registered small and medium-sized enterprises (SMEs). As of the date of this MD&A, monthly new registrations were averaging approximately 100 in a combination of pre-registration conversion and new SMEs that had not pre-registered on the platform. The Canadian launch milestone marked the start of a new era for the Company, one in which the Company expects to begin showcasing the true value of the data it has been collecting and will collect in the future from SMEs in Canada, in China and eventually from SMEs around the world as it expands its Business Hub to other countries and regions.

The launch of the Business Hub in Canada was somewhat muted due in part to the financial constraints under which the Company operated in 2022. In the fall of 2021, when its common shares were listed on the NASDAQ Capital Market stock exchange (the "NASDAQ"), the Company planned to use its funds not only to launch and operate the Business Hub in North America until its North American operations were profitable, but also to expand its operations to other parts of the world. Unfortunately, the U.S. Securities and Exchange Commission (the "SEC") began a review of the Company's U.S. registration statement. The review resulted in the temporary delisting of the Company's common shares from the NASDAQ. Without the NASDAQ listing, the Company had to put its plans on hold. The SEC review process has not been completed as of the date of the filing of this MD&A and is still ongoing.

Given the SEC review process in the U.S., and capital requirements of the Company's business plan, the Company filed a short form prospectus offering with the Ontario Securities Commission (the "OSC"), in late September 2022 to raise up to $30M. The OSC became the Company's principate regulator following the Company's relocation of its head office from Montreal, Quebec to Toronto, Ontario in July 2022. As the time for the OSC to review the Company's public disclosure record and operational information has taken longer than anticipated. The Company's prospectus offering expired on March 27, 2023, as 180 days had lapsed since it was first filed. The Company plans to refile an updated prospectus in the second quarter of 2023. As a result, the Company experienced significant financial constraints throughout 2022, which delayed the deployment of its Business Hub in Canada and significantly impacted its ability to grow its operations in China. In Canada, the launch of the Business Hub was delayed with limited functionality, having only its financing pillar available to Business Hub members as of March 30, 2023. Revenue that was forecasted to be generated by the Cubeler platform for part of 2022 and 2023 was therefore postponed, which led to a combined impairment of $38,433,119 recorded in Intangible Assets and Goodwill as disclosed in Note 11 of the Consolidated Financial Statements for the year ended December 31, 2022. As of the date of this MD&A, the Company was in the process of conducting a brokered private placement financing to raise up to $25,000,000.

Chinese Operations

Similar to the third quarter of 2022, the fourth quarter was a difficult one in China from an economic standpoint. The quarter began with the "Golden Week" national holiday on October 1, 2022 and was impacted by sporadic government imposed COVID-19 lockdowns, which generally limited business activity and made it difficult for most businesses in China to have business continuity. Many of the Company's clients postponed or cancelled orders during the quarter while the Company's financial institution partners remained concerned about the impact of COVID-19 on the Business Hub's SME clients' ability to pay back credit that would be extended to them. All of this contributed to the decrease of revenue for the quarter compared to the fourth quarter of 2021.

The Company's fourth quarter also provided highlights worth noting. One of those highlights was the pilot project started by the Company to transform one of China's largest retailers, along with several participating independent local convenience and general merchandize stores, into distribution outlets for JD.com, one of China's leading e-commerce platforms. The project enables distribution outlets to keep an inventory of certain goods available on JD.com in order for the goods to be quickly delivered locally by the Company's shipping partner "Fast Duck Shipping", often on the same day the orders are placed, as the goods are ordered online from consumers across the country. The project began in the city of Chengdu with 145 outlets in October 2022, and -expansion to Beijing and to other e-commerce platforms had begun by the end of the quarter. In addition to the new revenue stream opportunity, this new offering also allows the Company to gather critical market data, such as in-demand products and local distribution data to complement the data already being captured by the Business Hub.

From its launch in 2018, until the fourth quarter of 2022, the Company has built an ecosystem where it is servicing and gathering data on thousands of SMEs in China operating in various industrial sectors, including retail and wholesale trade, manufacturing, energy, construction and distribution. At the end of 2022, the Company had the capability to track metrics such as sales and inventory levels in near real time on Business Hub SME members in China and was able to show variations across time series, positioning the Company to potentially become a reliable reference of economic activity throughout the country. While the Company's Business Hub utilizes SME data in China primarily to qualify SMEs for credit, the information captured from the SMEs' accounting or ERP software and transactional data gathered throughout the Business Hub is expected to serve additional purposes in the future, similar to those in Canada, once the Company's Canadian operations launches the Company's first data-driven products in Canada in 2023.

Summary of Key Achievements in 2022

Fiscal 2022 was a difficult year for the Company from a revenue growth standpoint, as a result of the impact of COVID-19 restrictions on the overall Chinese economy, particularly in the second half of the year, and the lack of capital available to the Company. However, the Company launched its Business Hub in Canada and continued to diversify its revenue streams and the industries it services in China. A summary of the Company's most important achievements in 2022 include the following:

- Launch of the Business Hub in Canada with approximately 5,000 pre-registered SMEs;
- First orders received from clients wishing to advertise their products and services on the Business Hub in Canada;
- Partnership agreement with eHi Auto Services;
- Launch of Yun Fleet shipping and transportation platform;
- Collaboration with China Energy Engineering Corporation on two clean energy pilot projects;
- Launch of "Driver's Seat", first insurance policy to be exclusively available through Tenet's Heartbeat insurance brokerage platform;
- $10.1M in revenue generated from participation in 618 Shopping Festival; and
- National strategic cooperation agreement with Shanghai Electric Power Company.

BUSINESS PLAN AND OUTLOOK FOR 2023

North American Operations

The Company has several North American operations objectives planned for in 2023. Chief among them is that each of the four Business Hub's pillars in Canada are fully functional. The four pillars include: (i) Cubeler financing; (ii) Cubeler insights; (iii) Cubeler advertising; (iv) and Cubeler networking. A study conducted on behalf of the Company by Montreal-based market research firm SOM revealed that about 50% of Canadian SME owners believe that the combined services offered by the Business Hub's four pillars are either important or extremely important to their businesses. That number fell to 34% when SMEs were asked the same question about only the Business Hub's financing pillar; the one pillar available to Business Hub members as of the date of this MD&A. Therefore, in order to increase the Business Hub membership in Canada, the Company plans to make the Business Hub's networking, advertising and insights features available to Canadian SME owners and executives as quickly as possible in 2023.

The Business Hub services' objective is to contribute to the growth and success of the SMEs. In addition to the four pillars, the Company plans to bring added value to its members through a few different product offerings. One such product the Company is exploring in the Canadian market in 2023 involves bringing better package delivery efficiency to Canadian Business Hub members for products ordered by their customers online. Product delivery efficiency led to the explosion of e-commerce in China a few years ago. While ordering online in most countries meant waiting days or even weeks for products to arrive, China was able to have products delivered the next day or the same day, which changed the landscape of e-commerce in China. While this level of delivery efficiency might not have been possible in other countries a few years ago, the Company believes that that's no longer the case today. Delivery services that have sprung up over the past couple of years that initially focussed on local food deliveries, are increasingly being used to deliver other products. The Company believes that it can draw on its experience from the distribution program launched in the fourth quarter of 2022 in China, to help develop a local delivery program that would allow products purchased online from Business Hub members in Canada to have same-day delivery Another product. connected to the Business Hub's networking pillar, that the Company is currently exploring would, would allow Business Hub members in Canada to sell their products to Chinese consumers and businesses in cities such as Shanghai and Beijing through the use of the Company's distribution partnerships and capabilities in China.

As it provides value to its members, whether in Canada, China or elsewhere the Business Hub operates, the Company continuously gathers data in near real time about and from its SME members. The monetization opportunities available to the Company from the data collected are what positions the Company to be a leader in the AI and analytics space in the future. The Company is currently exploring the use of AI and analytics-based products by capital markets participants. Currently, SME data is collected on the Business Hub based on the industry classification system used by each country where it operates. For example, in China, the Business Hub uses the China Industry Classification system, which includes 95 different industry categories; whereas in Canada, SMEs are categorized using the North American Industry Classification System (NAICS).

The Company is currently developing a data-driven product that could track SME data with a high degree of granularity and consistency which could allow user to monitor, analyse and download anonymized and aggregated data such as cash, inventory, accounts payable, sales, accounts receivable and costs of goods sold.

The Company is also in the early stages of developing a data-driven product which would use proprietary algorithms and AI to analyze and look for correlations between public company data and SME data collected by the Company.

The Company expects, once it has complete functionality of the Business Hub's four pillars available to members in Canada, to be in position to enter the U.S. market shortly thereafter with the launch of the Business Hub.

Chinese Operations

COVID-19 lockdowns and financial constraints significantly hampered the Company's Chinese operations in 2022. Some sectors that showed a lot of promise at the end of 2021 and that were expected to be strong revenue contributors for the Company in 2022 but underperformed, such as the insurance and energy sectors, are expected to rebound in 2023 .The Company expects that the consumer goods supply chain vertical should still remain the largest contributor to the Company's revenue in 2023. Although the percentage of the Company's revenue for which the segment accounts will likely continue to decrease as the Company diversifies its revenue streams in China. Supply chain related revenue decreased from over 90% of the Company's revenue in 2021 to approximately 80% in 2022.

The Company aims to have its Chinese operations initiate a direct connection to its North American operations in 2023. The Company plans to develop and launch programs to allow for goods from members of its Business

Hub in Canada to be sold in China and vise versa, and the Company also plans to introduce analytics and data science products to the capital markets in China by establishing a data subsidiary in China as expansion plans permit. This would potentially create a new revenue stream and bring a new data science dimension to the Company's Chinese operations.

In Summary

The Company's continued growth requires access to funding through the capital markets in order to execute its business expansion strategy. Tenet's capital markets needs will continue to play a critical role in its ability to achieve its growth objectives.

In 2022, the on-going COVID-19-related, city-wide shutdowns in China, the downturn for technology stocks in the capital markets contributed to negatively impacting the Company's progress during the year. However, the Company feels that it was able to manage through those obstacles to continue to build on the fundamentals of its business plan and assemble an experienced and highly qualified team of executives to lead the Company into the next phase of its development as a global leader in the fields of AI and business analytics.

The following is a list of some of the events or elements which Tenet is exploring for 2023:

- Launch of first or more data-driven products in North America;
- Entry in U.S. market with U.S. Business Hub;
- Capital market offerings in Canada and the U.S.
- Explore synergies between Canadian and Chinese Business Hubs;
- Establish strategic partnerships to accelerate Business Hub membership growth in multiple jurisdictions;
- Continue geographic and industrial vertical expansion of Chinese operations; and
- Implement transactional capabilities to the Business Hub outside of China with a global payment processing partner.

Selected Annual Information

	FISCAL 2022	FISCAL 2021	FISCAL 2020
Revenues	$109,878,515	$103,632,774	$42,698,047
Expenses before finance costs, tax, depreciation and amortization	$158,748,557	$150,953,374	$45,477,028
EBITDA (1)	**($48,870,042)**	**($47,320,600)**	**($2,778,981)**
Expiration of deferred finance cost	$ –	$ –	$353,377
Loss on settlement of debt	$ –	$ –	$784,750
Gain on fair value variation	($591,220)	($3,556,574)	($217,325)
Impairment of goodwill	$35,697,890	$41,386,422	$ –
Impairment of intangible assets	$6,954,055	$11,978,283	$ –
Gain on bargain purchase	($109,605)	$ –	$ –
Loss on investment in associate company	$34,253	$ –	$ –
Adjusted EBITDA (2)	**($6,884,669)**	**$2,487,531**	**($1,858,179)**
Finance costs, tax, depreciation, amortization, impairments, expiration of deferred finance cost, loss on settlement of debt, gain on fair value variation, gain on bargain purchase, loss on investment in associate company	$46,128,516	$51,049,499	$3,655,332
Net profit (loss)	($53,013,185)	($48,561,968)	($5,513,511)
Net profit (loss) attributable to:			

	FISCAL 2022	FISCAL 2021	FISCAL 2020
Non-controlling interest	$79,260	$1,195,102	$1,102,910
Owners of the parent	($53,092,445)	($49,757,070)	($6,616,421)
Basic and diluted loss per share	($0.536)	($0.657)	($0.156)

(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 initial finance costs and finance cost, as defined in Note 21.4 of the Audited Consolidated Financial Statements for the year ended December 31, 2022.

(2) Adjusted EBITDA equals EBITDA as described above adjusted for impairment of intangible assets and goodwill, expiration of deferred finance cost, loss on settlement of debt, gain on fair value variation, gain on bargain purchase and loss on investment in associate company.

Reconciliation of EBITDA to net profit (loss)	FISCAL 2022	FISCAL 2021	FISCAL 2020
Net profit (loss) for the period	**($53,013,185)**	**($48,561,968)**	**($5,513,511)**
Add:			
Income tax	($3,549,246)	($1,611,819)	$852,010
Finance costs	$194,033	$181,943	$990,053
Depreciation of property and equipment	$89,664	$90,139	$892,467
Depreciation of right-of-use assets	$615,179	$286,850	$ –
Amortization of intangible assets	$6,764,493	$2,267,281	$ –
Amortization of initial financing costs	$29,020	$26,974	$ –
EBITDA	**($48,870,042)**	**($47,320,600)**	**($2,778,981)**
Add (less):			
Expiration of deferred finance cost	$ –	$ –	$353,377
Loss on settlement of debt	$ –	$ –	$784,750
Gain on fair value variation	($591,220)	($3,556,574)	($217,325)
Gain on bargain purchase	($109,605)	$ –	$ –
Loss on investment in associate company	$34,253	$ –	$ –
Impairment of goodwill	$35,697,890	$41,386,422	$ –
Impairment of intangible assets	$6,954,055	$11,978,283	$ –
Adjusted EBITDA	**($6,884,669)**	**$2,487,531**	**($1,858,179)**

	FISCAL 2022	FISCAL 2021	FISCAL 2020
Total assets	$141,267,467	$195,293,123	$61,307,542
Total liabilities	$23,659,599	$29,702,757	$28,693,292
Long-term liabilities	$7,653,747	$9,376,157	$420,731
Total equity	$117,607,868	$165,590,366	$32,614,250
To Non-controlling interest	$15,261,978	$14,320,381	$11,770,520
To Owners of parent	$102,345,890	$151,269,985	$20,843,730

Results of Operations

Revenue for the year ended December 31, 2022

The Company generated $109,878,515 in revenue during the year ended December 31, 2022, compared to $103,632,774 in 2021. The year-over-year increase in revenue is consistent with the increasing demand for the Company's services despite the impact of the Chinese government's zero-COVID-19 policy that continued to have a major impact on the country's economy in 2022.

Overall, on an annual basis, the Company has seen increase in demand for its overall services but with a decreased dependence on supply-chain services, where the Company provides material suppliers, factories, product distributors and retailers with an all-encompassing service offering that includes product sourcing, financing, and logistics. Those services still led all segments, accounting for approximately 81.3% (ASSC, ASST, AJP, ASTH, STEELCHAIN & SST) of Tenet's revenue in 2022 compared to 92.2% in 2021.

Non-supply-chain related services, including but not limited to loans made by the Company's financial services subsidiary (ASFC) insurance related services from the Heartbeat acquisition (ASSI, HUIKE) and the set-up and integration of a supply chain management system for a key business partner (ASDS) combined generated $20,544,451 in revenue compared to $8,049,636 in 2021, representing about 18.7% of Tenet's revenue in 2022 and a 155% increase compared to 2021.

<u>Total expenses before taxes</u>

The following schedule summarizes the Company's total expenses before taxes:

	FISCAL 2022	FISCAL 2021
Cost of service	$82,691,068	$89,701,360
Software delivery services	$3,370,090	$ –
Salaries and fringe benefits	$12,598,535	$4,898,251
Service fees	$3,056,834	$595,792
Royalty on software	$ –	$134,678
Board remuneration	$640,263	$863,762
Consulting fees	$1,291,970	$513,303
Outsourced services, software and maintenance	$2,669,882	$ –
Professional fees	$3,704,960	$2,395,267
Marketing, public relations and press releases	$1,300,917	$1,069,950
Office supplies, software and hardware	$1,272,059	$328,150
Lease expenses	$173,948	$54,443
Insurance	$1,291,321	$272,265
Finance costs	$194,033	$181,943
Expected credit loss	$1,859,937	($385,703)
Travel and entertainment	$395,735	$267,069
Stock exchange and transfer agent costs	$244,494	$388,142
Translation cost and others	$138,229	$110,656
Depreciation of property and equipment	$89,664	$90,139
Depreciation of right-of-use assets	$615,179	$286,850
Amortization of intangible assets	$6,764,493	$2,267,281
Amortization of initial financing costs	$29,020	$26,974
Impairment of goodwill	$35,697,890	$41,386,422
Impairment of intangible assets	$6,954,055	$11,978,283
Change in fair value of contingent consideration payable	($591,220)	($3,556,574)
Loss on investment in associate company	$34,253	$ –
Gain on bargain purchase	($109,605)	$ –

(Gain) Loss on foreign exchange	$62,942	($62,142)
Total expenses before income tax	$166,440,946	$153,806,561

Expenses for the year ended December 31, 2022

Cost of service which is solely related to supply-chain services amounted to $82,691,068 for the year ended December 31, 2022 compared to $89,701,360 in the same period of fiscal 2021. The ratio of those expenses to revenue specifically generated from the supply-chain service bundle continued to decline in 2022 with a gross reduction of 1.3% compared to the previous year despite the worldwide political and economic situation where transportation costs (mostly energy related) have been more expensive.

Software delivery services amounted to $3,370,090 compared to $Nil for the same period in 2021. The increase for fiscal 2022 is mostly attributable to the Software as a Service revenue generating businesses (ASSI, Huike and WECHAIN). There was no such expense for the same period in 2021 due to the smaller amount of revenues generated by those entities compared to 2022.

Salaries and fringe benefits amounted to $12,598,535 for fiscal 2022, compared to $4,898,251 for the same period in 2021. The increase in salary expenses for the year ended December 31, 2022, is attributable to the hiring of new employees in 2022 and the addition of new subsidiaries in China. The share-based remuneration that is included within this segment amounted to $1,523,033 in fiscal 2022, compared to $1,348,989 for the same period in 2021.

Service fees relate to consulting and business development services provided to mainly five of the Company's subsidiaries (ASFC, AST, ASCS, ASSI and HUIKE) by third-party companies and amounted to $3,056,834 in fiscal 2022, which is higher than $595,792 for the same period of 2021 due mainly to referral fee adjustments and a higher level of combined revenue in the above-mentioned subsidiaries.

Royalty on software expenses of $Nil for the year ended December 31, 2022, compared to $134,678 for the same period in 2021, represents royalties on software payable to Cubeler Inc. (Cubeler) for the licensing and use of its technology. Tenet acquired Cubeler on October 1, 2021, ending these royalty expenses.

Board remuneration refers to share-based and attendance fee remuneration received by members of the Company's board of directors and amounted to $640,263 in 2022 compared to $863,762 for the same period in 2021. Within this segment, share-based remuneration amounted to $512,679 for the fiscal year ended December 31, 2022, compared to $694,239 for the same period in 2021.

Consulting fees incurred during the year ended December 31, 2022, totalled $1,291,970 compared to $513,303 in the same period of 2021, mainly relate to capital markets consulting fees incurred in fiscal 2022. The Company is exploring listing opportunities on various securities exchanges and the possibility of accessing European capital markets as part of a long-term global capital markets strategy being developed and implemented with the assistance of European advisors and consultants. Share-based remuneration expenses related to consultants amounted to $152,858 in the fiscal year ended December 31, 2022 compared to $346,176 for the same period of fiscal 2021.

Outsourced services, software and maintenance costs amounted to $2,669,882 in fiscal 2022 compared to $Nil for the same period of fiscal 2021. These expenses are mainly research and maintenance costs paid to third-party providers for the work performed on various modules and interfaces in ASDS, ASSI, HUIKE, Kailifeng, and Cubeler. There was no such expense in 2021.

Professional fees totalled $3,704,960 for fiscal year ended December 31, 2022, compared to $2,395,267 for the same period in 2021. The net increase is mainly due to additional legal fees incurred in Canada, the United States and China relating to additional governance and capital raising activities, listing upgrades initiatives in North America, and creation of new subsidiaries in China. The increase in professional fees was also attributed to Company initiatives, in Canada and China, to document and implement additional internal controls in order to comply with requirements of major stock exchanges.

Marketing, public relations and press release expenses amounted to $1,300,917 in fiscal 2022 compared to $1,069,950 for the same period in 2021. The costs in this category for fiscal 2022 are related to the upgrade of the Tenet and Cubeler websites and several marketing activities in connection to the launch of the Company's Cubeler™ Business Hub platform in Canada, which occurred during 2022.

Office supplies, software and hardware expenses amounted to $1,272,059 in fiscal 2022 compared to $328,150 for the same period in 2021. The increase is mainly driven by the hiring of new employees in both Canada and China requiring additional equipment, and related additional maintenance and servers to support business growth and different supplies purchased to accommodate the leased space in Toronto, Canada.

Lease expenses amounted to $173,948 in fiscal 2022 compared to $54,443 for the same period in 2021. The increase is mainly driven by the opening of the Company's head office in Toronto, Canada which resulted in higher operating costs.

Insurance expenses amounted to $1,291,321 in fiscal 2022 compared to $272,265 for the same period in 2021. The increase is mainly attributable to maintaining the directors and officers (D&O) insurance coverage and a general market price increase in the D&O insurance market. The expense was accounted for the full year in 2022 which was not the case in 2021.

Finance costs mainly include interest charges, interest on lease liabilities (as per IFRS 16 requirements) and accretion of debentures and bonds. Those costs amounted to $194,140 for fiscal 2022, compared to $181,943 for the same period in 2021.

Expected credit loss (ECL) of $1,859,937 for fiscal 2022 compared to a recovery of $385,703 for the same period in fiscal 2021 is related to the variation in allowance for expected credit loss on ASFC's loan balance for the period and in overall Debtors as described respectively in Notes 7 and 8 of the Company's Audited Consolidated Financial Statements for the year ended December 31, 2022. The overall increase in ECL for Loans Receivable is mainly driven by the overdue receivables of the automobiles product type that are over 90 days old. Considering that pre-owned automobiles continue to suffer noticeable depreciation in the market, the Company used a conservative depreciation value to calculate the estimated recoverable amounts as at the end of the reporting period which increased the ECL for 2022. Furthermore, the overall increase in Debtors allowance during 2022 is isolated in nature and is specifically related to two business partners in China for which there is uncertainty on the Company's ability to collect the amounts due. Consequently, and by prudence, the Company has taken a 100% ECL on these two balances.

Travel and entertainment expenses amounted to $395,735 for 2022 compared to $267,069 for the same period in 2021. These expenses are mainly attributable to travel expenses incurred by the Company's Chinese management team for the business development initiatives and operations in China and travel expenses incurred by the Company's Canadian business.

Stock exchange and transfer agent costs amounted to $244,494 in fiscal 2022 compared to $388,142 for the same period in 2021. The decrease is mainly due to costs related to US stock exchange listing initiative and related costs during the same period in 2021. The Company continued similar initiatives during 2022.

Depreciation of right-of use assets of $615,179 in fiscal 2022 compared to $286,850 for the same period of fiscal 2021 follows the adoption of IFRS 16 on January 1, 2021, and relates to the depreciation of right-of-use assets associated with new office lease agreements of the Company's operating subsidiaries in Canada and China. The increase is mainly driven by the steady increase in the number of employees in both countries which requires an increase in operating space and the opening of the Company's head office in Toronto, Canada.

Amortization of intangible assets amounted to $6,764,493 for the year ended December 31, 2022, compared to $2,267,281 for the same period in 2021. The increase is mainly due to the amortization of intangibles relating to the acquisitions of the Heartbeat and Cubeler fintech platforms and several capitalized costs on platform improvements of assets in China (Business Hub, Gold River, and others).

Impairment of intangible assets of $6,954,055 during 2022 compared to $11,978,283 in 2021 results from the impairment tests performed by the Company as described in Note 11 of the Audited Consolidated Financial Statements for the year ending December 31, 2022. More specifically, the impairment is driven by the reduction in the forecasted revenues of the Heartbeat business due to slower than expected business growth and additional delays in the launch of Tenet's Canadian operations. The situation in Canada is mostly due to the additional time needed to grow the Cubeler™ Business Hub user base and related product offering which will eventually drive the North America revenue streams. For similar reasons, an impairment was taken in 2021 on the Cubeler™ intangibles (Technology platform and Tradename) which was slightly compensated during that time by an impairment reversal of the Gold River Platform.

Impairment of Goodwill of $35,697,890 during the last quarter of 2022 compared to $41,386,422 in 2021 is due to the yearly impairment test performed by the Company on Goodwill as described in Note 11 of the Audited Consolidated Financial Statements for the year ending December 31, 2022. More specifically, the impairment is driven by the overall delays in launching Cubeler™ Business Hub which resulted in the Company's forecasted operating cashflows net of capital investments of the Cubeler Cash-Generating Unit (CGU) to shift by almost another year. The required additional investments during 2023 to bring the different product offering to market, also contributed to the delays and the impairment charge. For similar reasons, an impairment of Goodwill was also taken in 2021 for Cubeler.

Change in fair value of contingent consideration payable amounted to a gain of $591,220 for fiscal 2022 compared to a gain of $3,556,574 for the same period in 2021. The change in the fair value of contingent consideration payable is in line with the temporary reduction of forecasted net profits of the Heartbeat business which will result into a $Nil consideration payable for this acquired business. The residual change in fair value of contingent consideration payable for 2022 is due the estimated variation of the consideration payable valuation from the acquisition date of the SteelChain business to December 31, 2022.

Gain on bargain purchase of $109,605 for the year ended December 31, 2022, compared to $Nil for the same period in 2021, represents 80% of the fair value of the net assets and liabilities acquired by AST of ASTH on August 2022 for $Nil consideration.

The Company reported, in other comprehensive income, a currency translation adjustment loss of $62,942 for fiscal 2022 (compared to a gain of $62,142 for the same period in 2021) reflecting the variation of the Chinese Renminbi against the Canadian Dollar during the year. This adjustment represents a theoretical gain or loss that would only be realized in the event of a material transaction involving the underlying assets to which the gain or loss is attributed, in this case, if the Company's subsidiaries were sold or otherwise disposed of.

Net Results

The Company incurred a net loss of $53,013,185 in fiscal 2022 compared to a net loss of $48,561,968 in the corresponding period of 2021.

Summary of Quarterly Results

	December 31, 2022 Three months	December 31, 2021 Three months	September 30, 2022 Three months	September 30, 2021 Three months
Revenues	$21,119,569	$33,048,249	$21,585,258	$25,695,570
Expenses (1)	$56,725,273	$83,042,872	$29,300,467	$24,169,284
Net Profit (loss)	($35,605,703)	($49,994,623)	($7,715,209)	$1,526,286
Net profit (loss) attributable to:				
Non-controlling interest	($156,780)	$333,791	$77,064	$169,752
Owners of the parent	($35,448,923)	($50,328,414)	($7,792,273)	$1,356,534
Earnings per Share (2)	($0.356)	($0.776)	($0.078)	$0.017

	June 30, 2022 Three months	June 30, 2021 Three months	March 31, 2022 Three months	March 31, 2021 Three months
Revenues	$32,432,228	$30,649,179	$34,741,460	$14,239,776
Expenses (1)	$38,764,900	$30,353,108	$38,101,060	$14,629,478
Net Profit (Loss)	($6,332,672)	$296,071	($3,359,601)	($389,702)
Net profit (loss) attributable to:				
Non-controlling interest	$136,306	$315,630	$22,670	$375,929
Owners of the parent	($6,468,978)	($19,559)	($3,382,271)	($765,631)
Earnings per Share (2)	($0.065)	$0.000	($0.045)	($0.012)

Note (1): Including income tax expenses.

Note (2): Earnings per share is calculated using the net profit (loss) and the weighted average number of outstanding shares.

Fourth Quarter Ending December 31, 2022

Liquidity

The level of revenue currently being generated by the Company is not presently sufficient to meet its working capital requirements and investing activities. The Company will continue to use financing means to help meet its financial obligations until the Company is able to meet its working capital requirements. As of March 30, 2023, the cash available to manage the Company's operations and meet its obligations amounted to approximately $2,500,000. The Company's cash flow position is expected to improve significantly as its operating subsidiaries increase their revenue and generate new revenue streams and eventual recuring profits for the Company. However, until that happens, the Company will continue to assess its capital needs and undertake whatever initiatives it deems necessary to ensure that it continues to meet its financial obligations, including accessing capital and reducing costs. In the opinion of management, the Company's current cash position and its expected access to additional capital, will be sufficient to meet its current obligations and allow it to continue as a going concern for the next 12 months.

Deposits made for transactions on platforms

Deposits made for transactions on platforms amounted to $26,839,877 as at December 31, 2022 and originate from subsidiaries of the Company in mainland China.

The deposits help secure capital support from financial institutions that provide loans to the Company's customers. Through its different platforms, the Company generates revenues by providing to customers a bundle of three supply chain services as described in note 4.7 of the Consolidated Financial Statements for the period ended December 31, 2022**.**

The total balance of deposits as at the end of each reporting period is mostly related to the volume of business transactions on the platforms and the level of available capital. As collateral and in the event of default, the Company obtains a contractual right to claim 10% to 20% of the majority of the merchandise transacted on the platform.

Financing Activities

From January 1, 2022 to March 30, 2023, the Company issued 2,259,500 common shares for total proceeds of $2,025,500 upon the exercise of share purchase warrants.

From January 1, 2022 to March 30, 2023, the Company issued 117,500 common shares for total proceeds of $246,750 upon the exercise of options.

From January 1, 2022 to March 30, 2023, the Company placed a total of 659 units of convertible debentures for gross contractual proceeds of $6,590,000. Please refer to the **"Debentures"** section further down below in this MD&A for more details.

Capital Stock

The Company's capital stock as of December 31, 2022, was $211,232,131 compared to $208,219,490 as of December 31, 2021. The variation is explained by the common shares issued in connection with the market value (as per grant date) of warrants exercised for $2,548,471 and the fair market value (as per grant date) of options exercised for $464,170.

Common Shares

As of March 30, 2023, the Company had 99,544,183 common shares outstanding. The following table summarizes the changes in shares outstanding from January 1, 2022, until March 30, 2023.

Balance outstanding as of December 31, 2021			97,167,183
Date	**Description**	**Number**	**Cumulative number**
January 2022	Exercise of warrants	700,000	97,867,183
February 2022	Exercise of warrants	827,500	98,694,683
March 2022	Exercise of options	100,000	98,794,683
May 2022	Exercise of options	17,500	98,812,183
June 2022	Exercise of warrants	125,500	98,937,683
July 2022	Exercise of warrants	277,500	99,215,183
August 2022	Exercise of warrants	329,000	99,544,183

Share Purchase Options

As of March 30, 2023, the Company had 3,858,688 common share purchase options outstanding. The following table summarizes the options outstanding as of March 30, 2023.

Balance outstanding as of December 31, 2021			4,689,250	
Date of grant	**Optionee**	**Number**	**Exercise Price**	**Expiration**
January 2022	Employee	32,725	$7.50	January 1, 2027
February 2022	Employee	42,881	$5.60	February 1, 2027
March 2022	Employee	2,941	$4.10	March 1, 2027
March 2022	Exercised	(100,000)	$2.10	N/A
April 2022	Employee	10,627	$4.16	April 1, 2027
April 2022	Consultant	5,000	$4.16	April 1, 2027
May 2022	Exercised	(17,500)	$2.10	N/A
May 2022	Employee	13,585	$5.13	May 1, 2027
June 2022	Employee	2,842	$2.55	June 1, 2027
June 2022	Expired	(272,500)	$2.10	N/A
July 2022	Forfeited	(5,000)	$4.80	N/A
July 2022	Employee	5,763	$1.65	July 1, 2027
August 2022	Employee	35,892	$1.41	August 1, 2027
September 2022	Employee	14,791	$2.08	September 1, 2027
September 2022	Forfeited	(5,000)	$8.00	N/A
September 2022	Forfeited	(250,000)	$0.45	N/A
September 2022	Forfeited	(150,000)	$1.50	N/A
September 2022	Forfeited	(125,000)	$4.10	N/A
September 2022	Forfeited	(25,000)	$5.70	N/A
October 2022	Employee	82,465	$1.24	October 1, 2027
November 2022	Employee	17,500	$1.02	November 1, 2027
November 2022	Forfeited	(10,210)	$1.24	N/A
November 2022	Expired	(18,750)	$1.10	N/A
December 2022	Employee	34,057	$0.85	December 1, 2027
December 2022	Expired	(171,250)	$1.60	N/A
December 2022	Employee	32,473	$1.62	December 1, 2027
December 2022	Forfeited	(1,557)	$4.10	N/A
February 2023	Forfeited	(12,337)	$5.60	N/A

The above table does not include any Share purchase Options that were not authorized by the Board of Directors as at the date of this MD&A report.

Share Purchase Warrants

As of March 30, 2023, the Company had 21,479,463 common share purchase warrants outstanding. The following table summarizes the changes in warrants outstanding as of March 30, 2023.

Balance outstanding as of December 31, 2021			17,332,504	
Date	**Description**	**Number**	**Exercise Price**	**Expiration**
January 2022	Exercise of warrants	(100,000)	$0.50	N/A
January 2022	Exercise of warrants	(350,000)	$0.80	N/A
January 2022	Exercise of warrants	(250,000)	$1.50	N/A
February 2022	Exercise of warrants	(467,500)	$0.50	N/A
February 2022	Exercise of warrants	(360,000)	$2.00	N/A
June 2022	Exercise of warrants	(125,000)	$0.50	N/A
June 2022	Exercise of warrants	(500)	$2.00	N/A

July 2022	Exercise of warrants	(277,500)	$0.50	N/A
July 2022	Expired	(282,500)	$0.50	N/A
August 2022	Exercise of warrants	(329,000)	$0.50	N/A
August 2022	Expired	(302,190)	$0.50	N/A
December 2022	Issuance of warrants	3,080,000	$2.00	December 23, 2024
December 2022	Issuance of warrants	179,900	$2.00	December 23, 2024
January 2023	Issuance of warrants	3,510,000	$2.00	January 31, 2025
January 2023	Issuance of warrants	221,250	$2.00	January 31, 2025

Segment Reporting

The Company presents and discloses segmental information, as disclosed in Note 23 of the Company's Audited Consolidated Financial Statements for the period ended December 31, 2022, based on information that is regularly reviewed by the chief operating decision maker who has been identified as the Company's senior management team, which makes strategic and operational decisions.

Debentures

On December 23, 2022, the Company placed 308 units of convertible debentures for gross contractual proceeds of $3,080,000 (net proceeds of $2,864,400 after related expenses). Each unit sold comprised of $10,000 face value debentures, maturing on December 23, 2024, bearing interest at a nominal rate of 10% payable monthly, plus 3,080,000 purchase warrants exercisable into Company common shares at $2.00 per share for a period of 24 months from the date of issuance.

On January 1, 2023, the Company placed an additional 351 units of convertible debentures for gross contractual proceeds of $3,510,000 (net proceeds of $3,280,350 after related expenses) with the same terms of the previous issuance dated December 23, 2022 and as mentioned above.

As of December 31, 2022, the Company had debentures outstanding as described in the Note 14 of the Audited Consolidated Financial Statements for the year ended December 31, 2022.

Escrowed Shares

As of March 30, 2023, 3,879,249 shares of the Company were held in escrow by TSX Trust Company (Escrow Agent) in accordance with the terms of the Security Escrow Agency Agreement dated October 1, 2021, between the Escrow Agent, the Company, and securityholders of Cubeler. Cubeler securityholders agreed to deposit with the Escrow Agent 11,133,012 shares in the Company and received a partial consideration for the sale by said securityholders of the issued and outstanding shares of Cubeler. On February 2, 2022, 3,374,514 shares of the Company were released by the Escrow Agent and an additional 3,879,249 shares on October 1, 2022. The remaining 3,879,249 shares held in escrow are scheduled to be released on October 1, 2023.

Related Party Transactions

Salaries paid and accrued to officers and directors amounted to $1,465,082 during the fiscal 2022 ended December 31, 2022 compared to $1,259,068 for the same periods in fiscal 2021.

During the fiscal year of 2022 ended December 31, 2022, share-based expenses associated with officers and board members amounted to $1,535,822 compared to $2,177,320 for the same periods of 2021.

The officers and directors included in the above are Johnson Joseph, CEO, Jean Landreville, CFO, Liang Qiu, China Operations CEO, Carol Penhale, Board Member, Dylan Tinker, Board Member, Dana Ades-Landy, Board Member (resigned in June 2022), Marc Dumas, Board member (resigned in August 2022), Michael Pesner, Board Member (resigned in June 2022) and Charles-Andrée Tessier, Board Member (resigned in August 2022).

In December 2021, Tenet's Chairman, Charles-Andre Tessier and Tenet's CEO, Johnson Joseph both exercised stock options to acquire common shares of the Company. While processing those transactions, the Company had to remit withholding taxes to the government on behalf of the individuals. Those withholding taxes amounted to $40,400 for Mr. Tessier and $72,793 for Mr. Joseph. On December 15, 2021 those amounts were recorded as loans to those individuals by the Company maturing December 15, 2022. On June 3, 2022, an additional loan was issued to another Director of the Company (Liang Qiu) of $130,462 maturing on December 31, 2022.

As at December 31, 2022, the aggregate outstanding amount due for said loans including accrued unpaid interest is $247,425 (December 31, 2021 - $113,193). In August 2022, Mr. Tessier resigned from his role of Director and ceased to be a related party. As such, the total outstanding amount due for said loans including accrued unpaid interest specifically with related parties as at December 31, 2022 is $206,300.

During the fiscal year ended December 31, 2022, the Company charged interest revenue on the above-mentioned promissory notes (loans) of $3,723 ($47 for the fiscal year ended December 31, 2021).

As the loans have expired, the Company is in the process of negotiating repayment terms to be agreed with each current and past Director.

Off-Balance-Sheet Arrangements

The Company has not entered into any off-balance sheet financing arrangements.

Accounting Policies

The principal IFRS accounting policies set out in Note 3 and Note 4 of the Audited Consolidated Financial Statements for the year ending December 31, 2022, have been consistently applied to all periods presented in such financial statements.

Legal Proceedings

As of March 30, 2023 the following legal proceedings have been instituted against the Company:

A putative class action lawsuit has been brought against Tenet and two of its executives in the United States District Court for the Eastern District of New York (originally captioned Bram Van Boxtel v. Tenet Fintech Group Inc., et al., now captioned Alejandro Handal and Donald Dominique v. Tenet Fintech Group Inc., et al.). The case was brought on behalf of Tenet shareholders who traded securities of Tenet between September 2, 2021, and October 13, 2021, on the NASDAQ. The complaint alleges, among other things, that the defendants violated the Securities Exchange Act of 1933 and the Securities Exchange Act of 1934 by making false or misleading statements regarding (i) Tenet's ownership interest in Asia Synergy Financial Capital Ltd. through a subsidiary, Wuxi Aorong Ltd., (ii) Tenet's acquisitions of Huayan the Heartbeat insurance platform, and Cubeler, (iii) Tenet's listing on Nasdaq, (iv) Tenet's Form 40-F submission to the SEC, and (v) statements published about Tenet by Grizzly Reports. On February 10, 2022, the court appointed a lead plaintiff and lead counsel. An amended complaint was filed on April 2022. The Company has retained external counsel and is defending itself vigorously against all claims. The Company filed a motion to have the case dismissed on August 8, 2022, and briefing on the motion to dismiss was completed on Monday, October 24, 2022. To date, no oral argument has been scheduled and there has been no ruling on the motion to dismiss.

Financial Instruments

For the period ending December 31, 2022, the Company has classified its financial instruments as described in Note 4.11 of the Audited Consolidated Financial Statements for the period ending December 31, 2022. For the period ending December 31, 2022, the Company is exposed to various risks as described in Note 21.3 of the Audited Consolidated Financial Statements for the period ending December 31, 2022.

Governance

To better equip the Company with better protocols and policies and procedures to manage the current growth of its business and to properly pursue its strategic plan, the Company has taken steps to continuously to bolster its governance measures. These steps included: (i) the hiring of key internal resources, such as a General Counsel and a Director of Human Resources, (ii) the adoption of revised human resources policies, with respect to discrimination and harassment, health and safety, and personal data, (iii) the re-calibration of the corporate governance charter and the adoption of a corporate whistleblower policy, and (iv) the retention of Richter LLP in Canada and Ernst & Young in China to help implement general internal controls over its processes and operations, as well as to carry out a Sarbanes Oxley compliance review and diagnostic, both of which were still ongoing as of the date of this MD&A. The Company continues to improve its corporate governance throughout 2023 to align with best practices.

RISKS AND UNCERTAINTIES

Risk factors that may adversely affect or prevent the Corporation from carrying out all or portions of its business strategy are discussed in the Corporation's Annual Information Form dated June 16, 2022, available on SEDAR at www.sedar.com. Other risks include:

Liquidity and Capital Resources

The Company will require financing in order to meet its longer-term business objectives and there can be no assurances that such financing sources will be available as and when needed. Historically, capital requirements have been primarily funded through the sale of common shares. Factors that could affect the availability of financing include, but are not limited to, evidence of continued demand for the Company's services, the Chinese geopolitical climate, the Company's ability to expand its services beyond China, the state of international debt and equity markets, and investor perceptions and expectations of the fintech space. There can be no assurance that such financing will be available in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

Holding Company with Significant Operations in China

As a holding company that is currently dependent on the operations of its subsidiaries in China, Tenet is subject to risks that could cause the value of its common shares to significantly decline. Chinese laws and regulations governing its current business operations are sometimes vague and uncertain, and they present legal and operational risks which may result in material changes in the operations of the Company's Chinese subsidiaries or a significant depreciation in the value of its common shares. Recently, the Chinese government adopted a series of regulatory actions and issued statements to regulate business operations in China, including cracking down on illegal activities in the securities market, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. Nevertheless, to the Company's knowledge, neither it nor any of its Chinese subsidiaries have been involved in any investigations on cybersecurity review initiated by any Chinese regulatory authority, nor have any of them received any inquiry, notice or sanction from the Chinese government.

Regulatory Permissions

To operate its business as currently conducted in China, each of the Company's subsidiaries in China are required to obtain a business license from local authorities. Each such Chinese subsidiary has obtained a valid business license, and no application for any such license has been denied or revoked. If any of the business licenses of the Company's subsidiaries are revoked, this would hinder the ability to operate the business, which could materially and adversely affect the business, financial condition, and results of operations.

Repatriation of Profits or Transfer of Funds from China to Canada

As of the date of this MD&A, all the Company's operating subsidiaries are located in China, except Cubeler Inc. (Canada), Tenoris3 Inc. (Canada) and Asia Synergy Ltd. (Hong Kong). Accordingly, the repatriation of any profits generated by the Company, which the Company might want to repatriate from China to Canada, or the transfer any funds that the Company might want to transfer to its Chinese subsidiaries, is subject to the rules and regulations established by the Chinese government that restrict the flow of funds between China and foreign jurisdictions, including the transfer of funds between Chinese subsidiaries and their foreign parent companies. Although the Company has taken steps to comply with regulations established by the Chinese government to be able to transfer funds from its subsidiaries to Canada, there can be no assurances that the Company will remain in compliance with those rules and regulations in the future. The Company may therefore not be able to repatriate profits or transfer funds from its Chinese operating subsidiaries to its head office in Canada, which would potentially prevent the Company from paying dividends to its shareholders or otherwise adversely impact the Company in the future.

Operations in Foreign Jurisdictions and Possible Exposure to Corruption, Bribery or Civil Unrest

The Company operates in a foreign jurisdiction (China) where the laws governing corporations differ from the laws of Canada. Chinese laws require each of the Company's subsidiaries located therein to have a legal representative to which certain roles, powers and responsibilities are ascribed. The legal representative's functions and powers are prescribed by state laws, regulations and the articles of association of the entity for which he or she is the legal representative. The legal representative is the person authorized to represent the entity in all legal matters between the government and such entity and to sign legally binding contracts on behalf of such entity. Unlike Canadian laws, which limit liability for individuals involved in corporations and limited liability or registered business entities, Chinese laws make no distinction between the liability of a legal representative versus the liability of the entity he or she represents. The legal representative is responsible for any offence, whether corporate, criminal, civil or other, committed by the entity and must bear any fine, punishment or consequences resulting from the offence.

Companies in China need the signed consent of a majority (over 50%) of its shareholders in order to remove a legal representative. If a company wants to change its legal representative, it first needs to provide written notice to that effect to the legal representative. The company must then go to the China Industry and Commerce Bureau with written proof of majority shareholder consent to make the change and submit the appointment document of the new legal representative. Similarly, the removal of any officer or director of a company requires the consent of the company's shareholders. Such consent must formally be given by a majority (over 50%) of shareholders with a signed resolution of the shareholders at a general meeting of the shareholders. The company must then submit a copy of the resolution along with the required supporting documents (application form, copy of business license, ID card of the individual being removed and copy of amendment of article of association reflecting the change) to the China Industry and Commerce Bureau.

Given the onerous responsibilities and risks associated with the position of legal representative for companies operating in China, the Company may have difficulty in the future to find individuals willing to act as its subsidiary's legal representatives. There can be no assurances that the Company will always have legal representatives for its subsidiaries. Since every company must have a legal representative under Chinese laws, not being able to have a legal representative may force the Company to suspend temporarily or permanently some of its operations in China, which would adversely affect the Company's operations, revenue and profits.

Certain individuals in China may perceive the Company as a potential bribery target. As such, the Company may be approached by local individuals in China, whether businessmen, government officials or others, to offer the Company certain favors that would advance the Company's business interests in exchange for cash, other forms of compensation, or threaten to hinder the Company's progress unless compensated in cash or by other means, all of which would be contrary to Chinese laws and/or Canadian law. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and anti-bribery laws for which the Company may be held responsible.

The Company's policies mandate compliance with these anti-corruption and anti-bribery laws. However, there can be no assurance that the Company's internal control policies and procedures will always protect it from recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

As a Canadian entity operating in China and soon in the U.S., the Company is also exposed to the state of relations between Canada, the U.S. and China. Political and/or cultural tensions between these countries may reach a point that triggers civil unrest in China against all things Canadian and/or American. If that happens, then clients may decide to no longer buy the Company's services and partners may decide to cut ties with the Company, all of which would negatively impact the Company's operations, revenue and profits.

COVID-19

Since the outbreak of the COVID-19 global pandemic, many businesses around the world have seen their operations negatively impacted by the health and safety measures, including limitations on the movement of goods and individuals, put into place by local governments to help control the spread of the outbreak. Although those measures have been relaxed in recent months in many parts of the world, there still remains some uncertainty as to the extent and duration of the future impact of COVID-19 on global commerce and the Company's business. Moreover, China, in particular, has occasionally taken strong measures to try to curb the spread of the virus and protect its citizens and, in doing so, there has been an impact on the economic activities of many of its regions. Given that the Company has significant operations in China, any such measures may have an adverse impact on the Company's revenues and cash resources, ability to expand its business, access to suppliers, partners, and customers, and ability to carry on its day-to-day operations without interruption.

FURTHER INFORMATION

Additional information about the Company can be found at www.sedar.com

March 30, 2023

(s) Jean Landreville

Jean Landreville, Chief Financial Officer

(s) Johnson Joseph

Johnson Joseph, President & CEO