



# Q3 Earnings Call 2022

Tenet Fintech Group Inc.  
(CSE: PKK) (OTC: PKKFF)

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Hosted by CHF Capital Markets & MZ Group



# Agenda

## Q3 Operating Highlights

- a. The Business Hub™: China
- b. From Local to Global: Canada

## Business Plan & 2022 Outlook

- a. The Business Hub™: China
- b. From Local to Global: Canada
- c. Expanding to Other Markets: Capital Markets Strategy

## Financial Overview

- a. Growth-Focused Investment In the Future

## Q & A

## Forward looking information

Certain statements included in this presentation 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.

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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.

All amounts are in Canadian dollars unless otherwise indicated.





# Q3 Operations Highlights

Johnson Joseph, President & CEO





**\$1.1M** in revenue generated from  
Yun Fleet shipping & transportation

## The Business Hub™: Chinese Operations

A promising start to the quarter was muted as targeted COVID-19 lockdown policies quickly returned and continued to plague the Chinese economy and the Company's operations throughout the entire quarter. Chinese businesses and non-China based companies with significant operations in China (like Tenet) continue to suffer business, impacting revenues due to ongoing COVID-19 outbreaks.

Despite the challenges of COVID-19 lockdowns during the quarter, the Company continued to make noticeable progress in Q3 with the execution of its strategic plan in China, focusing on growth opportunities and gradually improving the potential for higher margins.

## The Business Hub: Chinese Operations

Despite recording \$1.7M in revenue in insurance related services in the third quarter, the Company's insurance related services did not meet its growth expectations, which led to a partial impairment of its Heartbeat platform during the period.

In summary, the Company's Chinese operations generated \$21.6M in revenue in Q3, lower than expected. However, the Company was able to continue to diversify its revenue stream and create synergies between its offerings, and to show that Tenet's strategic plan continues to progress despite the difficult business and economic conditions China has experienced in 2022. For the Company, that is the most relevant and positive takeaway for what was otherwise a very challenging quarter for many businesses with substantial operations in China.



## Company's Chinese Operations Generated



## From Local to Global: Canadian Operations



The launch of Tenet's Cubeler Business Hub™ in Canada will take place on November 30, 2022. The Company continued to work on every aspect in preparation of that launch and to begin generating revenue in North America during the third quarter of 2022.

The Company also prioritized efforts on reviewing Tenoris3's initial product offerings and devising new product concepts to be offered at later dates as Cubeler Business Hub™ memberships scale over time, giving the Company access to a greater pool of data.



  
**Limitless thinking**

## Business Plan & 2022 Outlook





## The Business Hub™: China

Tenet expects to continue to add technologies, partnerships and services to create greater synergies between its offerings in China and to continue to expand its footprint, both geographically and across industrial sectors, throughout the country.

Tenet is in a better position to mitigate the impacts of sporadic lockdowns on its revenue in the fourth quarter

However, Tenet cautions that its third quarter results, coupled with the difficult economic conditions in China, will likely cause the Company's 2022 revenue to come in below the guidance last updated in May 2022.

## From Local to Global: North America

# Timeline



**Q4 2022**

The launch of Tenet's Cubeler Business Hub™ in Canada remains the most important milestone for 2022.



**Q4 2022**

Tenet expects to begin generating revenue from North American operations and forge relationships with digital media buying agencies by the end of 2022.



**Q4 2022**

Tenet will look to create a US subsidiary prior to the end of 2022 to set the table for the launch of its Cubeler Business Hub™ in the US in 2023.



**2023**

Tenet expects that 2023 will include the launch of the Business Hub™ in US, North American operations begin to generate meaningful revenue, and the deployment of Tenoris3's first data-driven product offering.



## **Expanding to Other Markets: Capital Markets Strategy**

As Tenet continues to grow and expand its operations globally, its capital markets strategy will continue to play a pivotal role in allowing it to achieve its objectives with a focus on listing securities on senior Toronto and London exchanges while it continues to work with the US Securities and Exchange Commission to have its common shares reinstated for listing on the Nasdaq stock exchange.



# Financial Overview

Jean Landreville, CFO



## Q3-2022 vs Q3-2021 Financial Results Variation Analysis

Account	Q3-2022	Q3-2021	Var.
<b>Revenue</b>	21,585	25,696	<b>(4,110)</b>
<b>Expenses</b>			
Cost of service	16,977	21,121	<b>(4,144)</b>
Software delivery services	943	-	<b>943</b>
Salaries, fringe benefits and board remuneration	3,377	1,654	<b>1,723</b>
Service fees	534	162	<b>372</b>
Consulting fees	369	118	<b>251</b>
Outsourced services, software and maintenance	347	-	<b>347</b>
Professional fees	1,095	418	<b>677</b>
Marketing, public relations and press releases	420	422	<b>(1)</b>
Office supplies, software and hardware	382	(2)	<b>383</b>
Insurance	317	36	<b>281</b>
Expected credit loss	388	(44)	<b>433</b>
Amortization of intangible assets	1,755	463	<b>1,292</b>
Impairment of intangible assets	4,219	-	<b>4,219</b>
Change in fair value of contingent consideration payable	(1,305)	171	<b>(1,477)</b>
Gain on bargain purchase	(110)	(1,911)	<b>1,801</b>
All others	456	704	<b>(248)</b>
Total expenses	30,165	23,312	<b>6,853</b>
<b>Profit (loss) before income taxes</b>	<b>(8,579)</b>	<b>2,384</b>	<b>(10,963)</b>
Income tax (Recovery)	(864)	857	<b>(1,721)</b>
<b>Net profit (loss)</b>	<b>(7,715)</b>	<b>1,526</b>	<b>(9,241)</b>

In 000's of \$CAD

# Q & A

Moderated by Mark Schwalenberg

## MZ

MZ Group



# Thank you!

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