

Triterras Reports Financial Results for the Six Months Ended August 31, 2022

SINGAPORE, Nov. 30, 2022 (GLOBE NEWSWIRE) -- **Triterras Inc. (OTC Expert Market: TRIRF)** (“Triterras” or the “Company”), a leading fintech company focused on trade and trade finance, today reported its financial results for the six-months ended August 31, 2022, representing the first half of the Company’s 2023 fiscal year.

Mr. Srinivas Koneru, the Company’s Chairman and Chief Executive Officer commented, “The first half of fiscal year 2023 was clearly very challenging for the Company. Although global trade flows have stabilized, many of our customers, micro-, small- and medium-enterprise traders continue to suffer from reduced availability of, and increased premium rates for, trade credit insurance, reduced liquidity and financial difficulties in the trade finance marketplace, reduced trading activity, and business suspensions and liquidations. As a result, our fee revenue was adversely impacted. We view our continued expansion of our various Supply Chain Finance businesses as critical to our future business success.”

Mr. Alvin Tan, Chief Financial Officer commented, “Many of our customers are struggling with cash flow and have not fully recovered from the global COVID-19 pandemic crisis. As a result, our customer accounts receivables increased significantly. We are working closely with our customers to understand their challenges, while we continue to act on collections and management of our outstanding accounts receivable.”

Financial Highlights for the Six Months Ended August 31, 2022

- Revenues of \$26.4 million, a 15% increase from the prior fiscal year comparable period.
- Net loss of \$21.6 million, or \$0.28 loss per share of the Company’s Ordinary Shares. This net loss includes a \$14.4 million trade and loan receivables impairment and a \$2.0 million non-cash charge on an increase in the fair value of warrant liabilities.
- Adjusted EBITDA loss of \$19.1 million, compared to Adjusted EBITDA of \$4.1 million in the prior fiscal year comparable period (Adjusted EBITDA is a measure not recognized by International Financial Reporting Standards (IFRS); see “Use and Reconciliation of non-IFRS Financial Measures” below).
- As of August 31, 2022, Triterras had \$33.9 million in cash and cash equivalents and a working capital surplus of \$77.8 million.
- Key Performance Indicators (KPIs):
 - Total transaction volume for the period was \$989.6 million compared to \$4.0 billion in the prior fiscal year comparable period. The trade finance ratio decreased to 39.9% of total transaction volume compared to 36.4% in the previous fiscal year comparable period.
 - Average transaction fee for the period of 0.57% compared to 0.57% in the

comparable period in the previous year fiscal period.

- Total number of users have increased to 249 compared to 132 in the previous fiscal year.
- Financing deployed during the first half of the fiscal year amounted to \$45.6 million.
- Trade Marketplace sub-module recorded a gross transaction volume of \$20.7 million for the fiscal period.

Operational Highlights for the Six-Months Ended August 31, 2022

- The Company continued to focus its business development efforts in Supply Chain Finance by building the business financing segment representing large “anchor buyers.” We believe that this segment of trade finance will appeal to a broad community of institutional lenders.
- Triterras’ origination teams continued building its pipeline of borrowers to expand the network on the Kratos™ platform. At the end of August 2022, there were 249 users on the platform, a year over year increase of 89%.
- Triterras’ business development teams remain focused on bringing new institutional lenders to the Kratos™ ecosystem. Potential lenders include regional banks, fixed income investment funds and multi-strategy investment funds.
- Expanded revenue streams by increasing Trade Marketplace revenue of \$20.7 million during the fiscal period for the purchase and sale of goods on the Trade Marketplace sub-module.
- During the fiscal year, the Company continued its emphasis on protecting the security of the Kratos™ platform, maintained its ISO 27001:2013 certification, and instituted a Security Operations Center (SOC).
- The Kratos™ platform has generated \$21.5 billion in total transaction volume since inception through August 2022.
- The Company settled the class action lawsuit (captioned *Ferraioni v. Triterras, Inc., et al.*, Case No. 7:20-cv-10795) on September 8, 2022
- The Company continued to pursue opportunities in M&A, with an emphasis on expanding the product portfolio and its geographic presence.

Financial Results for the Six-Months Ended August 31, 2022

Revenues for the six-months ended August 31, 2022 were \$26.4 million, a 15% increase from the prior fiscal year comparable period of \$22.9 million. Platform service fees decreased 75% from the prior fiscal year comparable period to \$5.7 million, primarily due to a significant reduction in total transaction volume on the Kratos™ platform, which reduction was largely the result of continued challenges faced by the Company by the impacts of COVID-19 on its existing customer base. Trade marketplace revenue amounted to \$20.7 million during the fiscal year, associated with the purchase and sale of goods on a back-to-back basis on the Trade Marketplace sub-module of Kratos™. Triterras did not have Trade Marketplace revenue in the prior fiscal year comparable period.

Cost of revenue for the six-months ended August 31, 2022 totaled \$22.1 million, an increase from the prior fiscal year comparable period of \$1.3 million. The increase was primarily due

to the introduction of the Trade Marketplace sub-module, as Triterras recorded \$20.3 million in trading costs in the current fiscal period.

Marketing and sales costs for the six-months ended August 31, 2022 totaled \$0.3 million, a 65% decrease from the prior fiscal year comparable period of \$1.0 million. The decrease primarily relates to no amortization of contract costs for the six months ended August 31, 2022 compared to \$0.6 million of amortization in the corresponding period last year.

General and administrative costs for the six-months ended August 31, 2022 totaled \$10.0 million, a 29% decrease from the prior fiscal year comparable period of \$14.0 million. The decrease is primarily attributable to a decrease in legal expenses.

During the six-months ended August 31, 2022, Triterras recorded a \$14.4 million impairment in trade and loan receivables, compared to a \$3.9 million impairment in the prior fiscal year comparable period.

Net loss for the six-months ended August 31, 2022 totaled \$21.6 million, or \$0.28 loss per share of the Company's Ordinary Shares, compared to net income of \$27.3 million, or \$0.35 earnings per share of the Company's Ordinary Shares, in the prior fiscal year comparable period. The net loss for the six-months ended August 31, 2022 is largely attributable to the reduction in revenue contributed from platform fees by \$17.2 million, coupled with higher expenses largely attributed to the impairment on trade and loan receivables of \$14.4 million. The net income for the prior fiscal year comparable period included a gain in the fair value of warrant liabilities of \$25.3 million.

Net cash used by operating activities for the six-months ended August 31, 2022 was \$31.2 million, compared to \$10.6 million of net cash used by operating activities in the same prior fiscal year comparable period.

During the six-months ended August 31, 2022, Triterras incurred \$1.3 million in development capital expenditures and \$0.5 million for the acquisition of plant and equipment. During the prior fiscal year comparable period, Triterras incurred \$4.9 million in development capital expenditures, \$3.8 million in the acquisition of subsidiaries and \$15.0 million in the acquisition of other investments.

As of August 31, 2022, cash and cash equivalents totaled \$33.9 million and the Company had \$3.0 million of loans outstanding.

Listing of Triterras Securities

As previously reported, the Company submitted an application for the trading of its Ordinary Shares and Warrants on the over-the-counter market as an interim measure while addressing the possible relisting of the Company's securities on Nasdaq. The Compliance Department of OTC Markets has communicated concerns about the compliance challenges faced by the Company, including the publication of a report dated January 14, 2021 by a short seller, Phase 2 Partners LLC, the resignation of KPMG, and the Company's falling within the scope of the Investment Company Act of 1940. The Company has remediated some of the matters giving rise to the OTC Markets' concerns and is working with urgency to address the others as part of its enhanced culture of continuous improvement. We expect there to be significant delay in the Company's applications with Nasdaq and the OTC Markets. There can be no assurance that our securities will be traded on Nasdaq or the OTC

Markets or that any public market for the Company's securities will develop.

Outlook

The Company expects an operating loss for the second six months of our fiscal year ending February 28, 2023. Our longer term focus remains a steady recovery of profitability and cash generation of the business and we would hope to reestablish a run rate of operating income profitability during the fiscal year ending February 29, 2024.

Conference Call

Triterras management will host a conference call on Wednesday, November 30, 2022 at 8:15 a.m. Eastern Standard Time.

Date: Wednesday, November 30, 2022

Time: 8:15 a.m. Eastern time (5:15 a.m. Pacific time)

U.S. dial-in: (877) 407-0784

International dial-in: (201) 689-8560

Conference ID: 13734610

A live audio webcast of the conference call will be available in listen-only mode simultaneously and available for replay [here](#) and via the investor relations page of the company's website [here](#).

Please call the conference telephone number five minutes prior to the start time. An operator will register your name and organization.

A replay of the call will be available after 11:15 a.m. Eastern time today through December 14, 2022.

U.S. replay dial-in: (844) 512-2921

International replay dial-in: (412) 317-6671

Replay ID: 13734610

About Triterras

Triterras is a global fintech company co-headquartered in Singapore and Dubai and leading innovator of inclusive finance solutions for the world's micro, small and medium enterprises (MSMEs). The company launched and operates Kratos™—one of the world's largest digital financing platforms—to directly connect MSMEs with lenders online and source capital across commodity trading, supply chain, logistics, and ecommerce finance. For more information, please visit triterras.com or email us at contact@triterras.com.

Forward Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Triterras' actual results may differ from their expectations, estimates and projections and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include Triterras' expectations with respect to future performance. These forward-looking statements involve significant risks and uncertainties that could cause the

actual results to differ materially from the expected results. Most of these factors are outside Triterras' control and are difficult to predict. Such risk factors include but are not limited to the following: (a) a decline in general economic conditions or the global financial markets, including those caused by the Russian invasion of Ukraine, (b) losses caused by financial or other problems experienced by third parties, (c) losses due to unidentified or unanticipated risks, (d) a lack of liquidity, (i.e., ready access to funds for use in our businesses), (e) the ability to attract and retain personnel, (f) litigation and regulatory issues, (g) competitive pressure, (h) an inability to generate incremental income from new or expanded businesses, (i) unanticipated effects to the commodities markets due to inclement weather or other disasters, (j) losses (whether realized or unrealized) on our principal investments, (k) the possibility that the Company is unable to successfully relist its securities on the Nasdaq Stock Market LLC or otherwise list our securities on the OTC or a national exchange, (l) the impacts of the COVID-19 pandemic, and (m) the risks and uncertainties set forth under "Risk Factors" in Triterras' Form 20-F (SEC File No. 001-39693) filed with the U.S. Securities and Exchange Commission (the "SEC") on March 7, 2022 and in Triterras' other filings with the SEC. Triterras cautions that the foregoing list of factors is not exclusive. Triterras cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Triterras does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based.

Use and Reconciliation of non-IFRS Financial Measures

In addition to our results determined in accordance with International Financial Reporting Standards ("IFRS"), we believe the following non-IFRS financial measure is useful in evaluating our operating performance. We present "adjusted earnings before interest, taxes, depreciation and amortisation" ("Adjusted EBITDA") because we believe it assists investors and analysts by facilitating comparison of period-to-period operational performance on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. The items excluded from Adjusted EBITDA may have a material impact on our financial results. Certain of those items are non-recurring, while others are non-cash in nature. Accordingly, the Adjusted EBITDA is presented as supplemental disclosure and should not be considered in isolation of, as a substitute for, or superior to, the financial information prepared in accordance with IFRS, and should be read in conjunction with the financial statements furnished in our filings with the SEC.

	Six months ended August 31, 2022	Six months ended August 31, 2021
(Loss)/Profit for the period	\$(21,633,805)	\$ 27,276,960
Depreciation	360,452	262,808
Amortisation of intangible assets	1,025,683	539,825
Amortisation of contract costs (1)	—	638,555
Net finance costs	419,845	52,194
Change in fair value of warrant liabilities	2,020,885	(25,317,732)
Unrealised gain on investment in Trade Credit Partners	(1,102,165)	—
Income tax (credit)/expense	(162,980)	643,940

Adjusted EBITDA

\$(19,072,085) \$ 4,096,550

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