

Triterras Reports Financial Results for Fiscal Year Ended February 28, 2022

SINGAPORE, June 28, 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 audited financial results for the fiscal year ended February 28, 2022.

"Our results for the fiscal year ended February 28, 2022 demonstrate the performance of our business despite the difficult operating conditions for the Company, the trade and supply chain finance industry created by COVID-19 and the related global supply chain constraints," said Triterras' Chairman and CEO Srinivas Koneru. "We benefited from our participation in the Marketplace sub-module to generate trade marketplace revenue to which we grew revenue year-over-year despite the industrywide headwinds, as our differentiated and blockchain-enabled KratosTM platform continues to address the needs of micro, small and medium sized enterprises (MSME).

"We are actively building a pipeline of users to our platform while simultaneously expanding our revenue opportunities through our trade marketplace revenue, which was a new revenue stream in the fiscal year. We also continue to make improvements to the Kratos platform, including leveraging Unqork's no-code solutions to enhance the end-to-end trading lifecycle in support of our mission of providing better access to trade and supply chain finance solutions for MSME's."

Triterras CFO Alvin Tan commented: "As of February 28, 2022, Triterras had \$68.8 million in cash and cash equivalents and a working capital surplus of \$101.6 million, putting us in a strong financial position to execute on our business objectives. We also have made meaningful improvements in the management of our audit process in the year 2022. With our reporting and filing obligations now brought up to date, we expect to transition to a more traditional reporting cadence with the announcement of our six-month results ending August 31, 2022 in the month of October 2022. Concurrently, our application process to trade on the over-the-counter markets is underway and we plan to seek to relist our securities on Nasdaq as soon as practicable through the normal relisting application process."

Financial Highlights for the Fiscal Year Ended February 28, 2022

- Revenues of \$56.7 million, a 2% increase from the prior fiscal year comparable period.
- Net income of \$33.4 million, or \$0.44 per share of the Company's Ordinary Shares. Net income included a \$40.8 million non-cash gain related to the change in fair value of our warrant liabilities and \$8.3 million in non-cash impairment charges related to trade receivables and contract costs. General and administrative expenses included elevated legal expenses of \$9.9 million and consultancy fees of \$2.8 million, primarily as a result of the costs of the internal investigation initiated by the Audit Committee of the Board of Directors and the costs of litigation relating to the class action lawsuit.

- Adjusted EBITDA of \$7.7 million, compared to \$32.2 million in the prior 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 February 28, 2022 Triterras had \$68.8 million in cash and cash equivalents and a working capital surplus of \$101.6 million.
- Key Performance Indicators (KPI):
 - Total transaction volume for the period was \$6.7 billion compared to \$10.0 billion in the prior fiscal year comparable period as COVID-19 and global supply chain constraints curtailed transaction volume.
 - The trade finance ratio increased marginally to 36.6% of total transaction volume compared to 34.1% in the previous fiscal year comparable period.
 - Average transaction fee for the period of 0.57% compared to 0.55% in the comparable period in the previous fiscal year.
 - Total number of users have increased to 172 compared to 83 in the previous fiscal year.
 - Triterras financing deployed during the year amounted to \$13.0 million for the fiscal year.
 - Trade Marketplace sub-module recorded a gross transaction volume of \$18.6 million for the fiscal year.

Operational Highlights During Fiscal Year Ended February 28, 2022

- During the period, the Company completed the acquisition of Invoice Bazaar, which the Company expects will facilitate a faster scaling of the Company’s supply chain finance business and strengthened the executive leadership team with experienced trade finance executives.
- Triterras’ origination teams continued building its pipeline of borrowers to expand the network on the Kratos platform.
- Expanded revenues streams by adding trade marketplace revenue during the fiscal year for the purchase and sale of goods on the Marketplace sub-module.
- During the fiscal year, the Company instituted major steps to improve the security of the Kratos platform, achieved ISO 27001:2013 certification, modernized the Amazon Web Services (AWS) hosting of the Kratos platform and completed the transition from the public Ethereum blockchain to the AWS-managed Hyperledger private blockchain structure.
- The Kratos platform has generated \$20.5 billion in total transaction volume since inception through February 2022.
- Based on the number of transactions conducted on Kratos as of February 2022, we estimate that the digitization on our platform reduced the use of paper by over 315,000 pages.

Financial Results for Fiscal Year Ended February 28, 2022

Revenues for the fiscal year ended February 28, 2022 amounted to \$56.7 million, a 2%

increase from the prior year period of \$55.5 million. Platform service fees decreased 31% from the prior fiscal year comparable period to \$38.1 million, primarily due to a 33% decrease in total transaction volume on the Kratos platform largely as a result of challenges faced by the Company and impacts of COVID-19 to the existing customer base. Trade marketplace revenue amounted to \$18.6 million during the fiscal year, associated with the purchase and sale of goods on a back-to-back basis on the Marketplace sub-module of Kratos. Triterras did not have trade marketplace revenue in the prior fiscal year.

Cost of revenue for the fiscal year ended February 28, 2022 totaled \$21.2 million, an increase from the prior fiscal year period of \$4.4 million. The increase was primarily due to the introduction of the Marketplace sub-module, as Triterras recorded \$18.3 million in trading costs in the fiscal year. Cost of revenue associated with the platform decreased by 33% to \$2.9 million compared to the prior fiscal year.

Marketing and sales for the fiscal year ended February 28, 2022 totaled \$1.9 million, a 57% decrease from the prior fiscal year period of \$4.3 million. The decrease primarily relates to the reduction in consultancy expenses relating to a business development project for which the contract ended February 2021.

General and administrative costs for the fiscal year ended February 28, 2022 totaled \$31.2 million, a 117% increase from the prior fiscal year period of \$14.4 million. The increase is primarily attributable to elevated legal and consultancy expenses for the retention of external advisors in connection with the internal investigation initiated by the Audit Committee of the Board of Directors and litigation costs relating to class action lawsuit.

During the fiscal year ended February 28, 2022, Triterras recorded \$8.3 million impairment charges in trade and loan receivables and contract costs, compared to \$6.9 million in the prior fiscal year.

Net income for the fiscal year ended February 28, 2022 totaled \$33.4 million, or \$0.44 earnings per share of the Company's Ordinary Shares, compared to net income of \$45.3 million, or \$0.74 earnings per share of the Company's Ordinary Shares, in the prior fiscal year comparable period. Net income for the fiscal year ended February 28, 2022 included a \$40.8 million non-cash gain related to the change in fair value of warrant liabilities and \$8.3 million in impairment charges. Net income for the prior fiscal year ended February 28, 2021 included a \$26.1 million non-cash gain related to the change in fair value of warrant liabilities and \$6.9 million in impairment charges.

Net cash used by operating activities for the fiscal year ended February 28, 2022 was \$28.6 million, compared to \$24.2 million of net cash generated by operating activities in the same prior fiscal year comparable period.

During the fiscal year ended February 28, 2022, Triterras incurred \$7.3 million in development capital expenditures, \$4.0 million in the acquisition of the Company's subsidiary, Invoice Bazaar, and \$25.0 million associated with its investment in Trade Credit Partners, a trade finance fund. During the prior fiscal year ended February 28, 2021, Triterras incurred \$8.9 million in development capital expenditures.

As of February 28, 2022, cash and cash equivalents totaled \$68.8 million and the Company had no debt.

Listing of Triterras Securities

The Company has submitted an application for trading its shares and warrants on the over-the-counter market and is still awaiting the evaluation of such application. Additionally, Triterras continues to anticipate that it will pursue a relisting on Nasdaq through a full application process. The Company has retained outside advisors to assist in these relisting applications.

Conference Call

Triterras management will host a conference call on Tuesday, June 28, 2022 at 8:15 a.m. Eastern time.

Date: Tuesday, June 28, 2022

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

U.S. dial-in: (833) 540-1170

International dial-in: (346) 265-0410

Conference ID: 4269182

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. U.S. Eastern time on the same day through 11:15 a.m. U.S. Eastern time on July 12, 2022.

Replay of Conference Call:

U.S. replay dial-in: (855) 859-2056

International replay dial-in: (404) 537-3406

Replay ID: 4269182

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.

Reconciliation of Adjusted EBITDA

	Year ended February 28, 2022	Year ended February 28, 2021	Year ended February 29, 2020
Profit for the year	\$ 33,423,529	\$ 45,252,712	\$ 13,580,791
Depreciation	198,745	31,364	1,284
Amortisation of intangible assets	1,663,284	141,644	9,172
Amortisation of contract costs	1,277,110	1,153,831	—
Net finance costs	625,070	82,479	1,475
Change in fair value of warrant liabilities	(40,772,657)	(26,111,685)	—
Unrealised gain on investment in Trade Credit Partners	(142,783)	—	—
Income tax expense	1,138,561	6,348,444	1,592,549
EBITDA	\$ (2,589,141)	\$ 26,898,789	\$ 15,185,271
Exceptional Items - one-off	10,261,306	5,277,254	—
Adjusted EBITDA	\$ 7,672,165	\$ 32,176,043	\$ 15,185,271

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