

Katipult Releases 2023 Q4 Results

Calgary, Alberta--(Newsfile Corp. - April 29, 2024) - Katipult Technology Corp. (TSXV: FUND) ("Katipult" or the "Corporation"), provider of an industry leading and award-winning cloud-based software infrastructure for powering the exchange of capital in equity and debt markets, is pleased to announce its financial results for the three-month period ended December 31, 2023.

The following provides a summary of the results for the fourth quarter of 2024. The full results and related management discussion and analysis are available on the Corporation's SEDAR profile (www.sedarplus.ca).

Q4 2023 Summary

Revenue

Revenue consists of subscription revenue which increased by 37% to \$646,000 in the fourth quarter of 2023 from \$470,000 recognized in the fourth quarter of 2022. Notably, the revenue from enterprise customers grew by 75% in 2023 as compared to 2022.

Gross Profit Percentage ⁽¹⁾

Gross Profit Percentage was 81.8% in the fourth quarter of 2023 compared to 79.5% in the prior year quarter of 2022. The Corporation has been able to consistently maintain a gross profit percentage of close to 80% since 2017.

Adjusted EBITDA ⁽¹⁾

Adjusted EBITDA losses decreased to (\$158,000) in the three-month period ended December 31, 2023 from (\$299,000) in the three-month period ended December 31, 2022, due to higher revenue and higher margins.

Net loss and comprehensive loss

Net loss and comprehensive loss was (\$288,000) in the fourth quarter of 2023 compared to net income and comprehensive income of \$163,000 in the fourth quarter of 2022 largely due to change in the non-cash fair value of the Corporation's outstanding 2018 Debentures.

Financial Position

As at December 31, 2023, the Corporation had a cash and cash equivalents balance of \$0.6 million, working capital of (\$3.8 million), and total assets of \$0.9 million, compared to cash and cash equivalents balance of \$1.4 million, working capital of \$0.7 million, and total assets of \$1.7 million as at December 31, 2022. The large decline in working capital is due to the shift of the entire amount of Corporation's first convertible debenture to current liabilities. This maturity date and other terms of the debenture was renegotiated subsequent to year end.

About Katipult

Katipult (www.katipult.com) is a provider of industry leading and award-winning software infrastructure for powering the exchange of capital in equity and debt markets. Our cloud-based platform and solutions digitize investment workflow by eliminating transaction redundancy, strengthening compliance, delighting investors, and accelerating deal flow. Katipult provides unparalleled adaptability for regulatory compliance, asset structure, business model, and localization requirements.

Neither the [TSX Venture Exchange](#) nor its Regulation Services Provider (as that term is defined in the

policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

Certain disclosure in this release, including statements regarding the recovery of capital markets investment activity and expectations regarding an increase in customer growth, constitute forward-looking statements. In making the forward-looking statements in this release, the Corporation has applied certain factors and assumptions that are based on the Corporation's current beliefs as well as assumptions made by and information currently available to the Corporation, including, but not limited to, the Corporation's anticipated cash needs, that the cash available to the Corporation is as expected, the Corporation's products will continue to operate as expected, the industry will continue to see value in the Corporation's products, the Corporation will be able to recruit talented and experienced sales, support and other individuals required to execute the Corporation's plans, and that the Corporation's employees, consultants, customers, suppliers and other stakeholders will be able to manage their businesses successfully. Although the Corporation considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Such risk factors include, among others, the risk that cash available to the Corporation is not as expected, failure to manage growth successfully, lengthier than anticipated sales and implementation cycle, cyber risks, risks related to cloud based solutions, failure to continue to adapt to technological change and newproduct development, dependence on key personnel, competition, intellectual property risks, economic conditions, including any negative impacts of a slow-down in capital markets activity, privacy concerns and legislation, regulatory environment, risk associated with a change in the Corporation's pricing model, risk of defects in the Corporation's solution, dependence on market growth, operational service risk, dependence on partners, delay or failure to realize anticipated benefits of key account installations and such other risks as are noted in the Corporation's MD&A for the period ended March 31, 2023. Readers are cautioned, especially in these uncertain times, not to place undue reliance on forward-looking statements. The Corporation does not intend to, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

1 Non-GAAP Financial Measures

This news release refers to certain Non-GAAP financial measures that are not determined in accordance with International Financial Reporting Standards ("IFRS"). "Gross Profit", "Gross Profit Percentage", "Working Capital", and "Adjusted EBITDA" are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. Management considers these to be important supplemental measures of Katapult's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in its industry. See "Non-GAAP Measures and Additional GAAP Measures" in the Corporation's March 31, 2023 MD&A available on the Corporation's SEDAR profile at www.sedarplus.ca for a discussion of non-GAAP measures and their reconciliations.

"Gross Profit" is used by management to analyze overall and segmented operating performance. Gross Profit is not intended to represent an alternative to net earnings or other measures of financial performance calculated in accordance with IFRS. Gross Profit is calculated from the statements of operations and comprehensive income (loss) and from the segmented information contained in the notes to the financial statements. Gross Profit is defined as revenue less cost of revenue.

"Gross Profit Percentage" is used by management to analyze overall and segmented operating performance. Gross Profit Percentage is calculated from the statements of operations and

comprehensive income (loss) and from the segmented information in the notes to the financial statements. Gross Profit Percentage is defined as gross profit divided by revenue.

"Adjusted EBITDA" is a measure of the Corporation's operating profitability. Adjusted EBITDA provides an indication of the results generated by the Corporation's principal business activities prior to how these activities are financed (including mark-to-market movements of the convertible debenture value), assets are depreciated and amortized or how the results are taxed in various jurisdictions, prior to the effect of foreign exchange, other income and expenses, and non-cash share-based payment expense. Adjusted EBITDA is not intended to represent net earnings as calculated in accordance with IFRS.

Adjusted EBITDA is calculated as follows:

For the three months ended December 31, (\$ thousands)	2023	2022
Net loss	(288)	163
Plus:		
Depreciation and amortization	(1)	1
Finance costs	266	162
Unrealized (gain) loss on convertible debentures	(28)	(569)
Foreign exchange (gain) loss	(33)	6
Share-based payments	10	30
Other income	(84)	(92)
Adjusted EBITDA	(158)	(299)

"Working Capital" is used by management and the investment community to analyze the operating liquidity available to the Corporation. Working Capital is calculated based on current assets less current liabilities.

Working capital is derived from the statements of financial positions and is calculated as follows:

As at (\$ Cdn thousands)	December 31, 2023	December 31, 2022	Increase (decrease) in working capital
Assets			
Current assets			
Cash and cash equivalents	602	1,370	(768)
Accounts receivable	181	321	(140)
Unbilled revenue	106	-	106
Prepaid expenses	2	2	-
Total current assets	891	1,693	(802)
Current liabilities			
Accounts payable and accrued liabilities	295	285	10
Deferred revenue	393	621	(228)
Loan payable	60	43	17
Convertible debentures - current portion	3,964	-	3,964
Total current liabilities	4,712	949	3,763
Working capital	(3,821)	744	(4,565)



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<https://www.newsfilecorp.com/release/207193>