

We are currently focusing on the brokered freight and contract shipping markets, representing about 52% of the U.S.'s \$800 billion total transportation market. About 10.2 billion tons of freight is moved in a year. A standard 18-wheeler carries about 21 tons. Therefore, the opportunity set we are pursuing could impact ~250 million loads per year. Beyond that, the less-than-truckload ("LTL") and parcel segments are also significant opportunities for expansion.

## TRIUMPH BUSINESS CAPITAL ("TBC")

Triumph Business Capital had an extraordinary year. Demand for freight remains elevated to historic levels. Q4 2021 actual invoice volumes (not dollar values) were 40% higher than the same period in 2020. That means that independent of invoice price inflation, our factoring business grew by nearly half last year from an already substantial baseline. Including the impact of the freightspot market<sup>6</sup> forces that we don't control, factoring revenues over the same period grew 64%.

We have and will continue to invest in our teams, technology, and service offerings for TBC. The integrations we are developing within the MyTriumph portal will give truckers visibility into all aspects of their relationship with TBK, including payments, equipment loans, bank accounts, insurance and cash management. We will continue

innovating to improve the lives of carriers and take the headache out of managing their business. They want to drive. We want to make it as easy and painless as possible for them to do so profitably.

## TBK BANK

The community bank continues to do everything we ask of it. In 2019, we prioritized building deposit relationships rather than continuing to grow loans. Since then, we've added about \$1.2 billion of non-interest bearing funding, while our asset mix has shifted toward the shorter duration, lower credit risk, and higher quality transportation factoring assets. Our team has done a great job maintaining quality business customers who want full banking relationships with us. I'm pleased to say credit quality has never been cleaner at TBK. I couldn't be prouder of this team as they grow deposits, maintain pricing disciplines, and improve asset quality.

## OUR PURPOSE

It has been said that "the purpose of a company is to profitably solve the world's problems." In this letter, I have laid out our plan to do that very thing. In addition to our strategy as it relates to the market, we desire to be a force for good in our communities and for our team. I am conflicted in writing too much about this — it is not in our

<sup>6</sup> The spot market, as opposed to the contract market, is priced on one-time fees that a shipper pays to move a load (or shipment) at current market pricing. Spot rates are a form of short-term, transactional freight pricing that reflects the real-time balance of carrier supply and shipper demand in the market.

## TRIUMHPAY BY THE NUMBERS

