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# Exela Technologies Reports Significant Boost to Cash and Cash Equivalents to over \$205 Million and Remains on Path to Deleverage

Jul 07, 2021

- \$85 million raised under the \$150 million at-the-market equity program launched on June 30, 2021
- Proceeds will primarily be used to reduce debt and lower associated annual interest expense by approximately \$25 million and fund growth opportunities, in line with previously announced strategic initiatives
- \$205 million of cash and cash equivalents on hand as of June 30, 2021, not including additional borrowing availability under various credit facilities

IRVING, Texas, July 07, 2021 -- Exela Technologies, Inc. ("Exela" or the "Company") (NASDAQ:XELA), a location-agnostic global business process automation ("BPA") leader across numerous industries, today announced that its recently announced \$150 million at-the-market equity program has significantly improved its liquidity position by raising \$85 million of proceeds. The Company plans to use certain proceeds from the equity program to strategically reduce its debt and associated interest expense obligations as well as explore ways to invest in its growth, in line with the previously announced strategic initiative. As an initial step, Exela intends to target an annual debt service reduction of \$25 million.

Shrikant Sortur, Exela's Chief Financial Officer, noted, "We are very encouraged by this overwhelming support from our retail investors and our shareholders at large, along with stabilizing business performance. The higher liquidity will help us better leverage our tech enabled business services model by enabling us to fund our growth. Furthermore, the targeted \$25 million permanent reduction in annual debt service creates significant value to equity holders as the Company executes its strategic deleveraging."

As of June 30, 2021, the Company had over \$205 million of cash and cash equivalents. The Company also had \$75 million of additional borrowing capacity under various credit facilities, which are available subject to terms and conditions. As a result of the increased liquidity, the



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Company does not anticipate accessing this additional available borrowing capacity in the near term, including the \$53 million available under its \$145 million A/R securitization.

Exela will provide more details regarding additional steps under the strategic initiative on its upcoming second quarter 2021 Financial Results Call.

To automatically receive Exela financial news by e-mail, please visit the Exela Investor Relations website, <http://investors.exelatech.com/>, and subscribe to E-mail Alerts.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Company's securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

## **About Exela Technologies**

[Exela Technologies](#) is a business process automation (BPA) leader, leveraging a global footprint and proprietary technology to provide digital transformation solutions enhancing quality, productivity, and end-user experience. With decades of experience operating mission-critical processes, Exela serves a growing roster of more than 4,000 customers throughout 50 countries, including over 60% of the Fortune® 100.

With foundational technologies spanning information management, workflow automation, and integrated communications, Exela's software and services include multi-industry department solution suites addressing finance and accounting, human capital management, and legal management, as well as industry-specific solutions for banking, healthcare, insurance, and public sectors. Through cloud-enabled platforms, built on a configurable stack of automation modules, and over 18,300 employees operating in 23 countries, Exela rapidly deploys integrated technology and operations as an end-to-end digital journey partner.

## **Forward-Looking Statements**

This press release includes statements that are, or may be deemed, "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act and are intended to be covered by the safe harbor provided for under these sections. Forward-looking statements generally are accompanied by words such as "may," "should," "would," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," "seem," "seek," "continue," "future," "will," "expect," "outlook" or other similar words, phrases or expressions. These forward-looking statements are based on the current expectations of Exela's management and are not predictions of actual performance. These



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forward-looking statements are subject to a number of risks and uncertainties regarding Exela's businesses, and actual results may differ materially. The factors that may affect Exela's financial condition and results of operations include, among others, (i) the impact of political and economic conditions on the demand for Exela's services, (ii) the impact of the COVID-19 pandemic, (iii) the impact of the petition for appraisal pursuant to 8 Del. C. § 262 in the Delaware Court of Chancery, captioned Manichaeon Capital, LLC, et al. v. SourceHOV Holdings, Inc., C.A. No. 2017 0673 JRS, (iv) the impact of a data or security breach, (v) the impact of competition or alternatives to Exela's services on its business pricing and other actions by competitors, (vi) Exela's ability to address technological development and change in order to keep pace with its industry and the industries of its customers, (vii) the impact of terrorism, natural disasters or similar events on Exela's business, (viii) the effect of legislative and regulatory actions in the United States and internationally, (ix) the impact of operational failure due to the unavailability or failure of third-party services on which Exela relies, (x) the effect of intellectual property infringement and (xi) other risk factors described from time to time in Exela's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, including any amendments or restatements of, or supplements to, such reports.

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