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# **Exela Technologies Announces Plans to Deploy over \$400 Million of Capital to Execute the Next Strategic Step: Significantly Reduce Debt**

Sep 30, 2021

To date, Exela has Purchased \$95 Million in Debt, Increasing Cash Flow by \$11 Million  
Exela is on Track to Improve Annual Cash Flow by \$25 Million  
Each \$100 Million in Debt Reduction Improves Cash Flow by \$10-13 Million

IRVING, Texas, Sept. 30, 2021 -- Exela Technologies, Inc. ("Exela" or the "Company") (NASDAQ: XELA), a global business process automation leader across numerous industries, today announced that the Company plans to deploy over \$400 million of capital. The move encapsulates the Company's multipart strategy to materially reduce its total amount of debt and associated interest expense, including lowering the cost of debt. The Company believes that the strengthened balance sheet and improved cash flow generation will further expand shareholder value.

In addition to liquidity of \$207 million as of September 28, 2021, proceeds from the recently announced equity financing are expected to provide the Company with over \$400 million in capital to deploy in this initiative. Exela plans to use these funds, among other uses, for the purchase or retirement of debt, investment in its business and other general corporate purposes.

Exela's weighted average interest rate for the outstanding debt was 9.6% for FY 2020. The total debt related payments (including cash interest paid and amortizations) were \$173 million for the 12 months ended December 31, 2020, and \$85 million for the 6 months ended June 30, 2021, respectively. To date, the Company has already bought back \$95 million of debt via open market purchases using \$64 million of cash on hand. These executed debt purchases have improved the Company's annual cash flow by \$11 million. Exela is also on track to achieve the remainder of the previously announced \$25 million annual cash flow improvement target within the next 3 months. Every \$100 million of debt reduction improves incremental annual cash flow between \$10-13 million creating significant value for shareholders.

Par Chadha, Exela's Executive Chairman, noted, "While we have made significant strides, we believe that the execution of this next step positions us well to continue expanding shareholder value. I am not pleased with the speed of our capital deployment strategy and



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hope to prudently accelerate it. We are thankful to our large, growing, and global shareholder base, our employees and customers to become a global powerhouse with leading brand recognition in the industries we serve.”

Note: Liquidity as defined per the third amendment of the credit agreement effective May 15, 2020. Includes \$24 million as addbacks.

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*The information posted on the Company's website and/or via its social media accounts may be deemed material to investors. Accordingly, investors, media and others interested in the Company should monitor the Company's website and its social media accounts in addition to the Company's press releases, SEC filings and public conference calls and webcasts.*

## **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. Utilizing foundational technologies spanning information management, workflow automation, and integrated communications, Exela’s software and services include multi-industry, departmental solution suites addressing finance and accounting, human capital management, and legal management, as well as industry-specific solutions for banking, healthcare, insurance, and the public sector. Through cloud-enabled platforms, built on a configurable stack of automation modules, and over 18,000 employees operating in 23 countries, Exela rapidly deploys integrated technology and operations as an end-to-end digital journey partner.

## **Forward-Looking Statements**

*Certain statements included in this press release are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under The Private Securities*



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*Litigation Reform Act of 1995. 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 include statements regarding our industry, future events, estimated or anticipated future results and benefits, future opportunities for Exela, and other statements that are not historical facts. These statements are based on the current expectations of Exela management and are not predictions of actual performance. These statements are subject to a number of risks and uncertainties, including without limitation those discussed under the heading "Risk Factors" in Exela's Annual Report and other securities filings. In addition, forward-looking statements provide Exela's expectations, plans or forecasts of future events and views as of the date of this communication. Exela anticipates that subsequent events and developments will cause Exela's assessments to change. These forward-looking statements should not be relied upon as representing Exela's assessments as of any date subsequent to the date of this press release.*

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