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# Exela Technologies Announces Significant Reduction of Debt and Improvement to Free Cash Flow Following Completion of Exchange Transactions

Dec 16, 2021

- **Company's long-term debt reduced by approximately \$454<sup>1</sup> million**
- **Reduction of cash interest expense and loan amortization by \$42 million and on track to exceed incremental annual free cash flow \$50 million target**

IRVING, Texas, Dec. 16, 2021 (GLOBE NEWSWIRE) -- Exela Technologies, Inc. ("Exela" or the "Company") (NASDAQ: XELA), a global business process automation leader across numerous industries, today announced that following the completion of the senior notes exchange offer and private exchange of its term loans with certain of its lenders, the Company's long-term debt has been reduced by approximately \$454 million as compared to the long-term debt outstanding as of December 31, 2020.

As previously reported, the total amount of senior notes tendered reached a 97.6% tender rate and the Company was able to exchange or cancel a majority of its outstanding credit agreement obligations. By exceeding the required consent thresholds, certain negative covenants in the underlying indenture and term loan agreements were removed.

These steps represent a key milestone in the Company's strategy to materially reduce its total amount of debt and associated interest expense. The transactions will result in an estimated annual reduction of cash interest expense and loan amortization of \$42 million, exceeding the Company's stated \$37.5 million target.

Par Chadha, Exela's Executive Chairman, noted, "I am pleased that the Company is on track to exceed the free cash flow improvement of \$50 million per annum, which was announced during our Q3 earnings call. I am very proud of our team and thankful to our advisors who have helped us accomplish that. We will continue our efforts to unlock shareholder value."

BofA Securities acted as exclusive financial advisor, B. Riley acted as advisor and capital provider, and Paul Weiss acted as legal counsel for Exela in connection with these exchange transactions.



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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 17,500 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 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*



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*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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<sup>1</sup> Excluding amounts held by affiliates of the Company.



Source: Exela Technologies, Inc.