

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPROVAL | |
|--------------------------|-----------|
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

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| 1. Name and Address of Reporting Person* <u>Reynolds James</u> (Last) (First) (Middle) <u>C/O EXELA TECHNOLOGIES, INC.,</u> <u>2701 E. GRAUWYLER RD.</u> (Street) <u>IRVING TX 75061</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Exela Technologies, Inc. [XELA]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chief Financial Officer</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>02/21/2020</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, par value \$0.0001 per share ("Common Stock") ⁽¹⁾ | 02/21/2020 | | C | | 906,835 | A | (1) | 1,154,465 | I | See Footnote ⁽³⁾ |
| Common Stock ⁽¹⁾ | 02/21/2020 | | J ⁽¹⁾ | | 533,608 | A | (1) | 1,688,073 | I | See Footnote ⁽³⁾ |
| Common Stock ⁽²⁾ | 02/26/2020 | | J ⁽²⁾ | | 1,506,555 | A | (2) | 3,194,628 | I | See Footnote ⁽³⁾ |
| Common Stock | | | | | | | | 52,836 | D | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|-----------------|---|--|--|---|--|-----------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Series A Convertible Preferred Stock ⁽¹⁾⁽⁴⁾ | \$1.2226 ⁽⁴⁾ | 02/21/2020 | | J ⁽¹⁾ | | 30,253 | | (4) | (4) | Common Stock | 36,987 | (1) | 30,253 | I | See Footnote ⁽³⁾ |
| Series A Convertible Preferred Stock ⁽¹⁾⁽⁴⁾ | \$1.2226 ⁽⁴⁾ | 02/21/2020 | | C | | 35,097 | | (4) | (4) | Common Stock | 42,910 | (1) | 65,350 | I | See Footnote ⁽³⁾ |
| Exchangeable Preferred Interests ⁽⁵⁾ | \$0.31 | 02/21/2020 | | C | | | 298.87 | (5) | (5) | Common Stock | 533,608 | (5) | 175.98 | I | See Footnote ⁽³⁾ |
| Series A Convertible Preferred Stock ⁽²⁾⁽⁴⁾ | \$1.2226 ⁽⁴⁾ | 02/26/2020 | | C | | 49,420 | | (4) | (4) | Common Stock | 60,421 | (2) | 114,770 | I | See Footnote ⁽³⁾ |
| Stock Options (Right to Buy) | \$5.98 | | | | | | | (6) | 08/31/2028 | Common Stock | 111,000 | | 111,000 | D | |
| Stock Options (Right to Buy) | \$1.3 | | | | | | | (7) | 08/26/2029 | Common Stock | 111,000 | | 111,000 | D | |

Explanation of Responses:

- 1. See Exhibit 99.1.
- 2. See Exhibit 99.1.
- 3. See Exhibit 99.1.
- 4. See Exhibit 99.1.
- 5. See Exhibit 99.1.
- 6. See Exhibit 99.1.
- 7. See Exhibit 99.1.

Remarks:

See Exhibit 99.1.

By: /s/ Jim Reynolds

02/25/2020

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

1. Ex-Sigma 2 LLC, a Delaware limited liability company (“Ex-Sigma 2”), delivered 4,823,572 shares of common stock, par value \$0.0001 per share (“Common Stock”) of Exela Technologies, Inc. (“Exela”) and 273,475 shares of Series A Perpetual Convertible Preferred Stock, par value \$0.0001 per share of Exela (“Preferred Stock”) to the purchasers of shares under the July 25, 2019 Stock Purchase Agreement in satisfaction of the purchase price adjustment contained therein. Ex-Sigma 2 then distributed 66,471,504 shares of Common Stock and 2,935,758 shares of Preferred Stock to Ex-Sigma LLC, a Delaware limited liability company (“Ex-Sigma”), Ex-Sigma 2’s sole equity owner. Ex-Sigma then surrendered certain shares to Exela and distributed the balance of shares pro rata to its members in accordance with their relative entitlement.
 2. HGM distributed 38,582,425 shares of Common Stock and 1,493,638 shares of Preferred Stock (the “First HGM Distribution”) on the following basis: first in settlement of certain claims members of Ex-Sigma LLC whom HGM reasonably believes are “accredited investors” as such term is defined in Regulation D of the Securities Act of 1933 (the “Securities Act”); second among the members of HGM pro rata in accordance with their respective entitlements, subject to further adjustments described below; third HGM agreed with certain of its members to exchange the Preferred Stock to be received for Common Stock at the rate of 1.2226 shares of Common Stock per share of Preferred Stock, representing the rate at which the Preferred Stock can be converted to Common Stock on the date of the exchange and fourth HGM negotiated additional adjustments to the distribution with certain of its members. HGM also distributed 1,250,000 shares of Common Stock pursuant to a special allocation in connection with the formation of the Company in 2017 (the “HGM Management Fee Distribution” and together with the First HGM Distribution, the “HGM Distribution”).
 3. Shares are held by SoNino LLC, which Mr. Reynolds controls.
 4. Each share of Series A Convertible Preferred Stock is convertible into the number of shares of Common Stock equal to the Applicable Conversion Rate (as defined in the Issuer’s Certificate of Designations, Preferences, Rights and Limitations of Series A Perpetual Convertible Preferred Stock (the “Certificate of Designation”)) in effect as of the date of such conversion. The shares of Series A Convertible Preferred Stock are convertible at any time. The initial Applicable Conversion Rate is 1.2226 shares of Common Stock for each share of Preferred Stock, which rate will increase following the third anniversary of the date of issue, (x) at the election of the holder, or (y) at the election of the Company from and after the time that the weighted average price of the Common Stock equals or exceeds \$24 for at least 5 consecutive days on which trading in the Common Stock generally occurs on the Nasdaq Stock Market. The shares of Series A Convertible Preferred Stock have no expiration date.
 5. The Exchangeable Preferred Interests are equity interests in Ex-Sigma LLC. Ex-Sigma is the sole owner of Ex-Sigma 2 LLC (“ES2”), which is the largest holder of Exela Technologies, Inc. (the “Issuer”) stock. At such time as Ex-Sigma receives a distribution of Common Stock from ES2 (and not prior to such time), the Exchangeable Preferred Interests are exchangeable into a number of shares of Common Stock equal to the purchase price of such Exchangeable Preferred Interests divided by \$0.31.
 6. Forty percent of the options will vest and become exercisable on August 31, 2020 and the remainder will vest and become exercisable on August 31, 2022.
 7. Forty percent of the options will vest and become exercisable on August 26, 2021 and the remainder will vest and become exercisable on August 26, 2023.
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