Third Quarter 2021 Results

November 5, 2021

Ron Cogburn, CEO
Shrikant Sortur, CFO

Click here for webcast

Disclaimer

Forward-Looking Statements Certain statements included in this presentation 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 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 the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and other filings with the Securities and Exchange Commission. 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 presentation.

Non-GAAP Financial Measures and Related Information This presentation includes constant currency, EBITDA and Adjusted EBITDA, each of which is a financial measure that is not prepared in accordance with U.S. generally accepted accounting principles(“GAAP”). Exela believes that the presentation of these non-GAAP financial measures will provide useful information to investors in assessing our financial performance, results of operations and liquidity and allows investors to better understand the trends in our business and to better understand and compare our results. Exela’s board of directors and management use constant currency, EBITDA and Adjusted EBITDA to assess Exela’s financial performance, because it allows them to compare Exela’s operating performance on a consistent basis across periods by removing the effects of Exela’s capital structure (such as varying levels of debt and interest expense, as well as transaction costs resulting from the combination of Quinpario Acquisition Corp. 2, SourceHOV Holdings, Inc. and Novitex Holdings, Inc. on July 12, 2017 (the “Novitex Business Combination”) and capital markets-based activities).Adjusted EBITDA also seeks to remove the effects of integration and related costs to achieve the savings, any expected reduction in operating expenses due to the Novitex Business Combination, asset base (such as depreciation and amortization) and other similar non-routine items outside the control of our management team. Optimization and restructuring expenses and merger adjustments are primarily related to the implementation of strategic actions and initiatives related to the Novitex Business Combination. All of these costs are variable and dependent upon the nature of the actions being implemented and can vary significantly driven by business needs. Accordingly, due to that significant variability, we exclude these charges since we do not believe they truly reflect our past, current or future operating performance. The constant currency presentation excludes the impact of fluctuations in foreign currency exchange rates. We calculate constant currency revenue and Adjusted EBITDA on a constant currency basis by converting our current-period local currency financial results using the exchange rates from the corresponding prior-period and compare these adjusted amounts to our corresponding prior period reported results. Exela does not consider these non-GAAP measures in isolation or as an alternative to liquidity or financial measures determined in accordance with GAAP. A limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Exela’s financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures and therefore the basis of presentation for these measures may not be comparable to similarly-titled measures used by other companies. These non GAAP financial measures are not required to be uniformly applied, are not audited and should not be considered in isolation or as substitutes for results prepared in accordance with GAAP. Net loss is the GAAP measure most directly comparable to the non-GAAP measures presented here. For reconciliation of the comparable GAAP measures to these non-GAAP financial measures, see the schedules attached to this presentation.

Rounding Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect absolute figures.

Key Highlights and Objectives

1. Expect annual cash flow improvement of $50 million in 2022
2. Plan to reduce debt by 25% to approximately $1.0 billion from $1.355[1] billion
3. Leverage financial strength to further expand cash flow in 2022

Note (1) : Comprised of Senior Secured Notes of $1.0 billion and Term Loans of $355 million as of June 30, 2021. Excludes unamortized original issue discount and debt issuance costs.

Investment Highlights – Poised for Value Expansion

- ✓ Poised for value expansion enabled by financial strength and business outlook
- ✓ Leader in business process management solutions
- ✓ Large market opportunity
- ✓ Deep and wide moat
- ✓ Proven track record
- ✓ Experienced management

Exela at a glance

30+
Years of Experience in Business Process Automation

4,000+
Global Customers Across 14 Industry Verticals

60+
Fortune® 100 Partnered with Exela

50+ Countries

140+ Delivery Centers

1,100+ Facilities Managed

2K+ IT Professionals

~17.5K Employees

Third Quarter 2021 Highlights

1. Revenue of $279M, declined 8.5% YoY
   - Impacted by the public sector due to the federal government budget process

2. Net Loss improved to $13.2M or 53.4% YoY
   - EBITDA of $49.1M, increased $11.4M YoY
   - Adjusted EBITDA of $36.4M, declined $12.3M YoY

3. COVID-19 impacting on-site business, utilization and margins

4. Liquidity[(1)] of $227M as of November 2, 2021

Note (1) : Liquidity as defined per the third amendment of the credit agreement effective May 15, 2020 and includes $24 million in addbacks for fees paid for advisory and professional services incurred through November 2, 2021.

Key Performance Metrics and Cloud Scaling

Higher renewals, expansion of existing wins, new wins and a growing pipeline, despite COVID-19

Renewals

↑ 0.8% QoQ
↑ 4.3% YoY

Sales Pipeline

↑ 4.6% QoQ
↑ 10.5% YoY

Additional strategic partnership in the Americas

Expansion of existing contracts
↑ 16.9% QoQ
↑ 21% YoY

Materially all customers and employees will use the cloud in 2022 up from 30% in Q4 2021

COVID-19 Impact

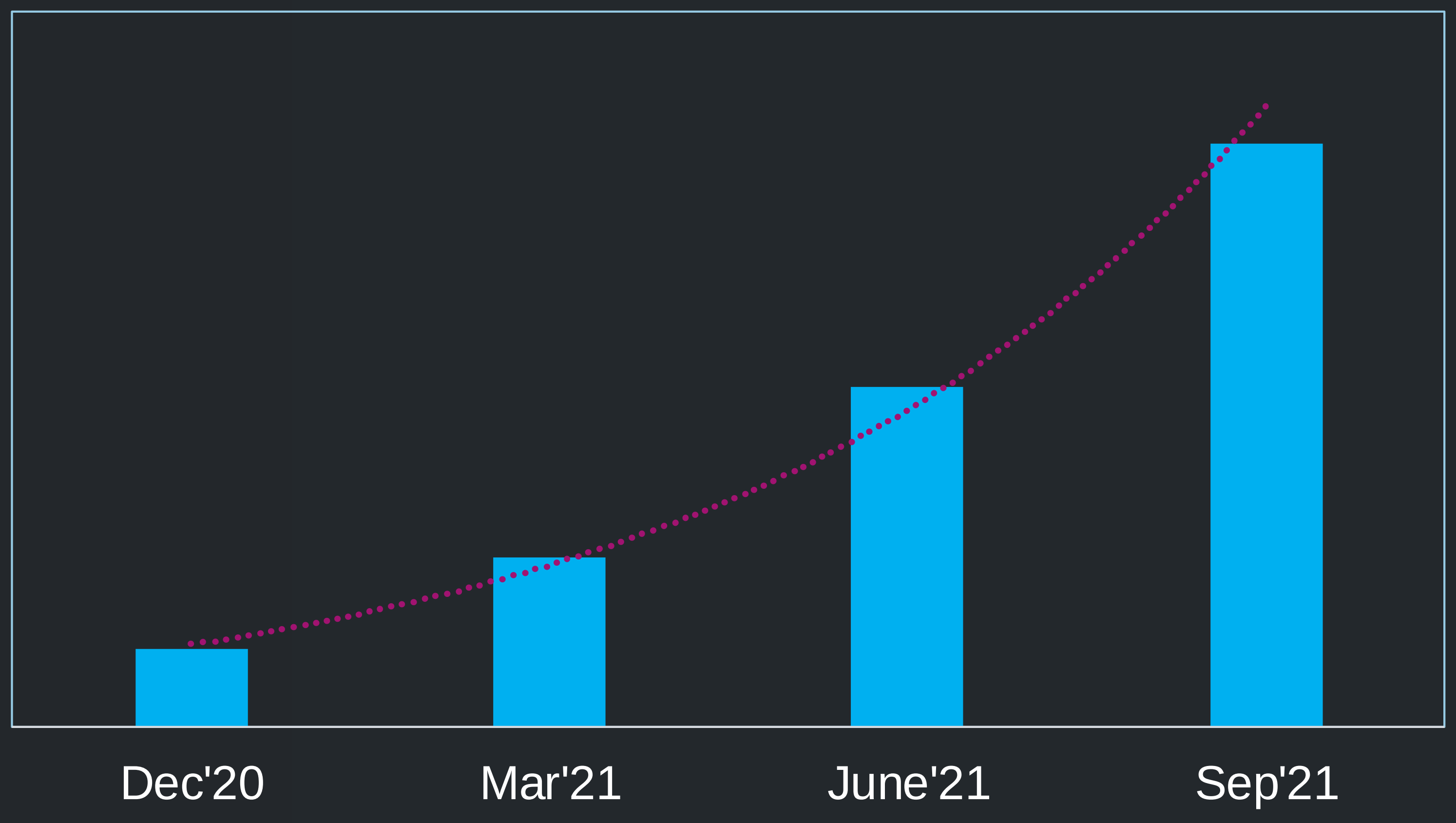
Over 50% of employees WFA

- ✓ Cloud usage scaling led by Intelligent data processing (IDP), Work-from-Anywhere (WFA) and a rising number of cloud-hosted digital platforms
- ✓ Scaling to cloud to yield financial benefits in 2022

SMB Market Showing Consistently Robust Growth

DMR Customers

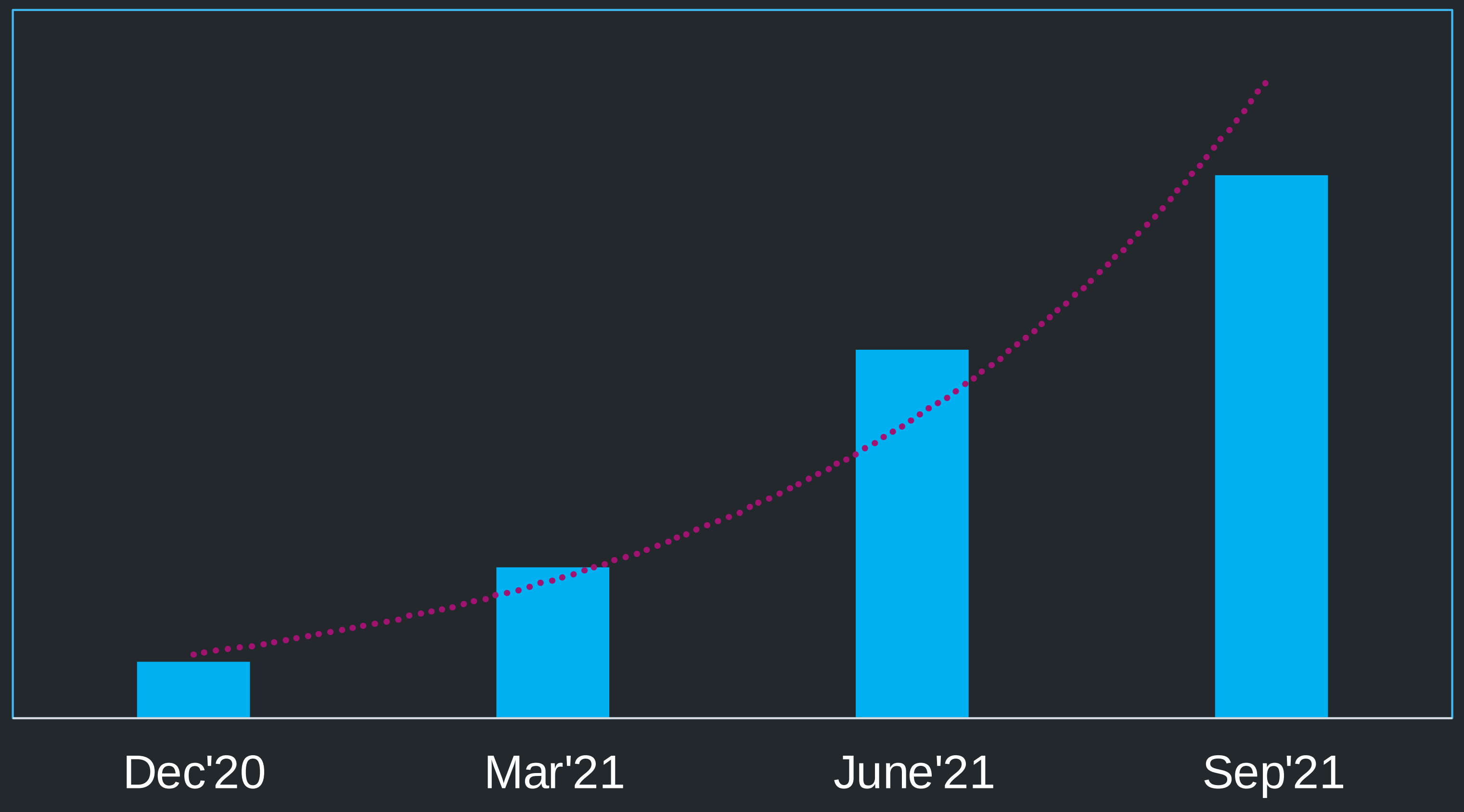
Q3 QoQ Growth: 71%



DMR launched in France and Germany in Q3

DrySign Users

Q3 QoQ Growth: 47%

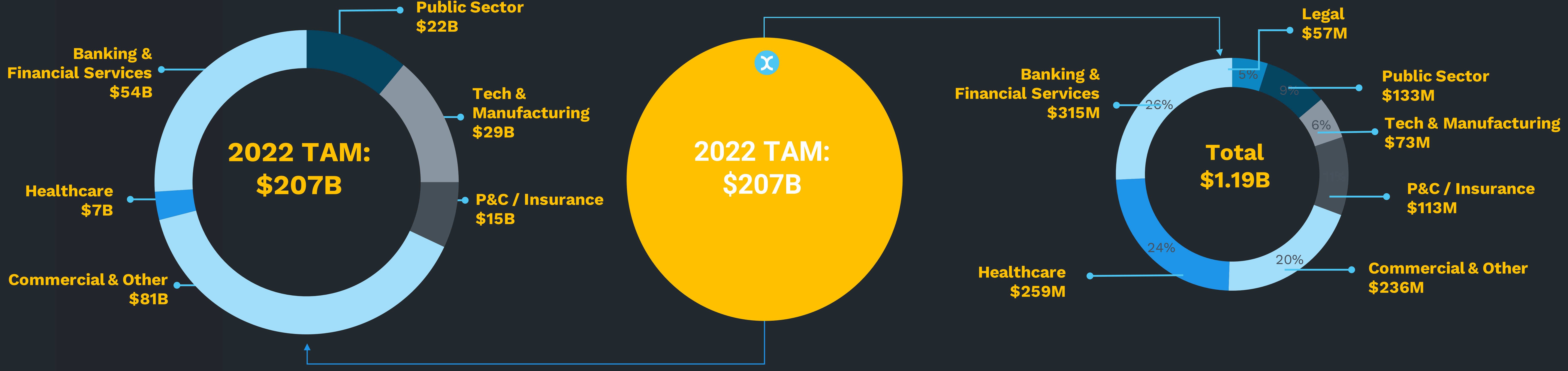


DrySign launched in Philippines and UK in Q3

Large Untapped Addressable Market

TAM[1] growing at 5% CAGR

Exela LTM Q3' 21 Revenue by Industry



✓ Additionally, the SMB[2] market presents a large untapped opportunity

- Small Businesses Globally 400+ Million
- Small Businesses in the US 31.7+ Million

(1) Sourced from 2017 Gartner and Nomura Instinet research at the time of Exela creation.
(2) Sourced from IDC, World Bank and US Census Bureau.

Financials

Third Quarter 2021 Financial Highlights

YoY metrics

Revenue
$279.2M ↓ 8.5%

Gross Margin
24.2% ↑ 90 bps

SG&A[(1)]
$39.8M ↓ 8%

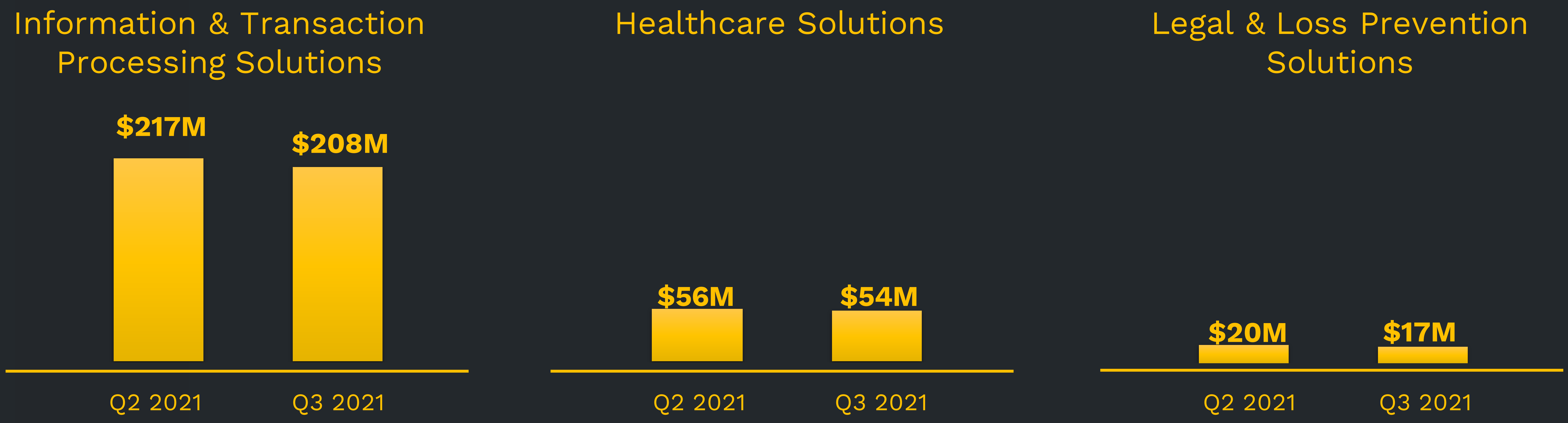
EBITDA
$49.1M ↑ 30.1%
Adj. EBITDA
$36.4M ↓ 25.3%

CAPEX
$3.6M
1.3% of Revenue

Liquidity[(2)]
$227M
Record high

Note (1) : Reported SG&A of $43.2 million less $3.8 million of one-time charge on LLPS segment.
Note (2) : Liquidity as defined per the third amendment of the credit agreement effective May 15, 2020 and includes $24 million in addbacks for fees paid for advisory and professional services incurred through November 2, 2021. Liquidity reported on August 10, 2021 was $158M.

Sequential Revenue by Segment



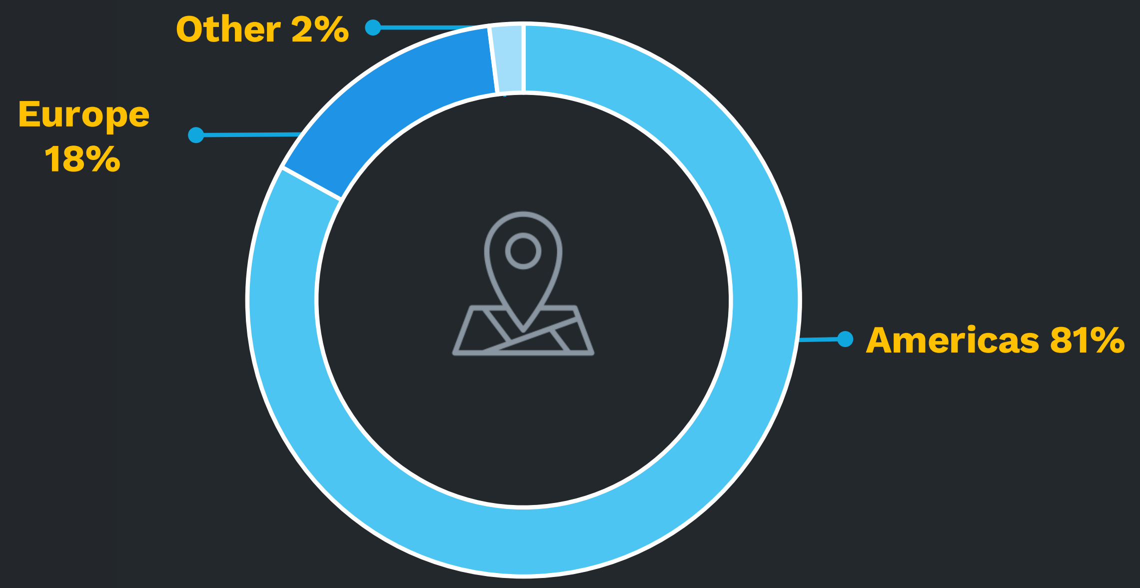
- ✓ Q3 revenue impacted in public sector due to the federal government budget process
- ✓ COVID-19 impact continues

Deep, Valuable, Multi-industry, Long-Tenured Relationships

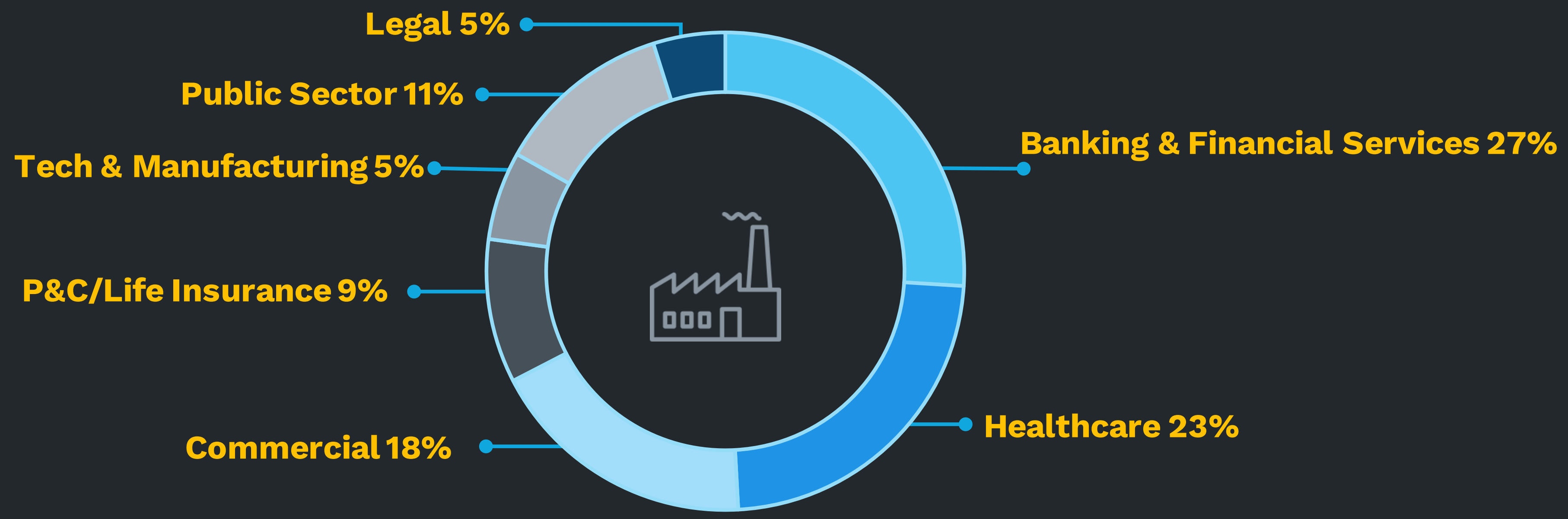
Over 60% of Fortune 100® - core solutions for the largest enterprises

Revenue Breadth, Diversity, Low Industry & Customer Concentration and Referenceable Solutions

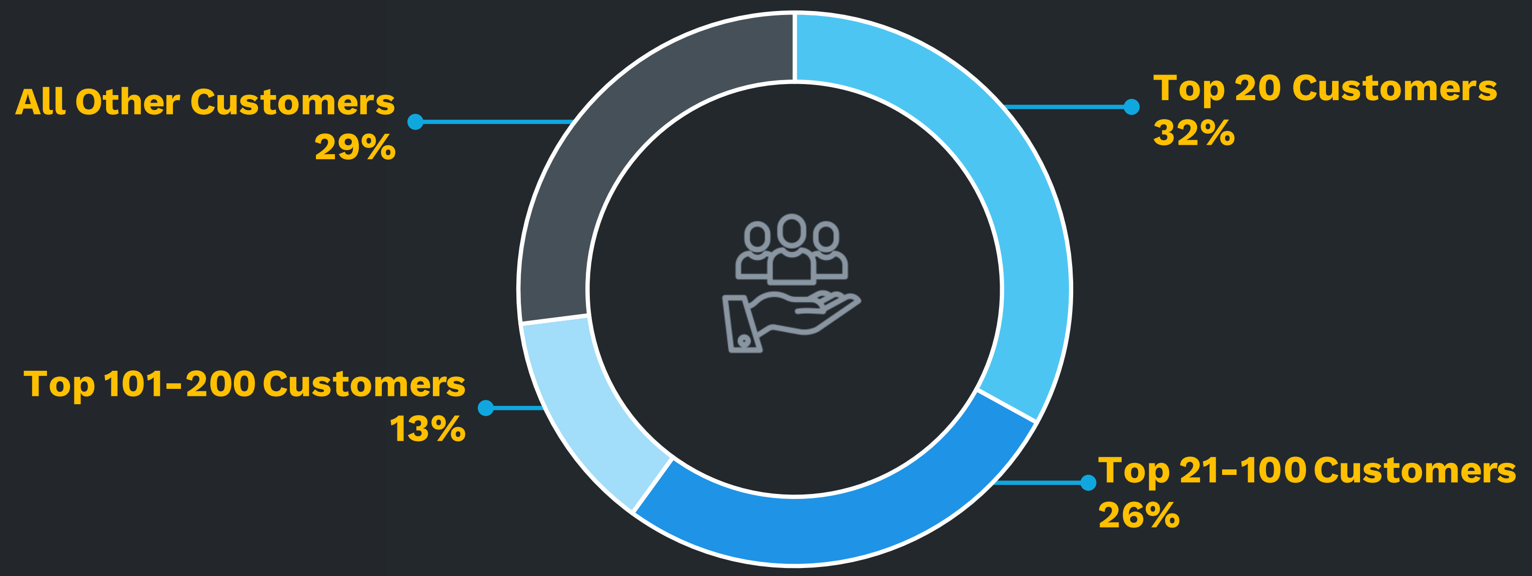
Regions(1)



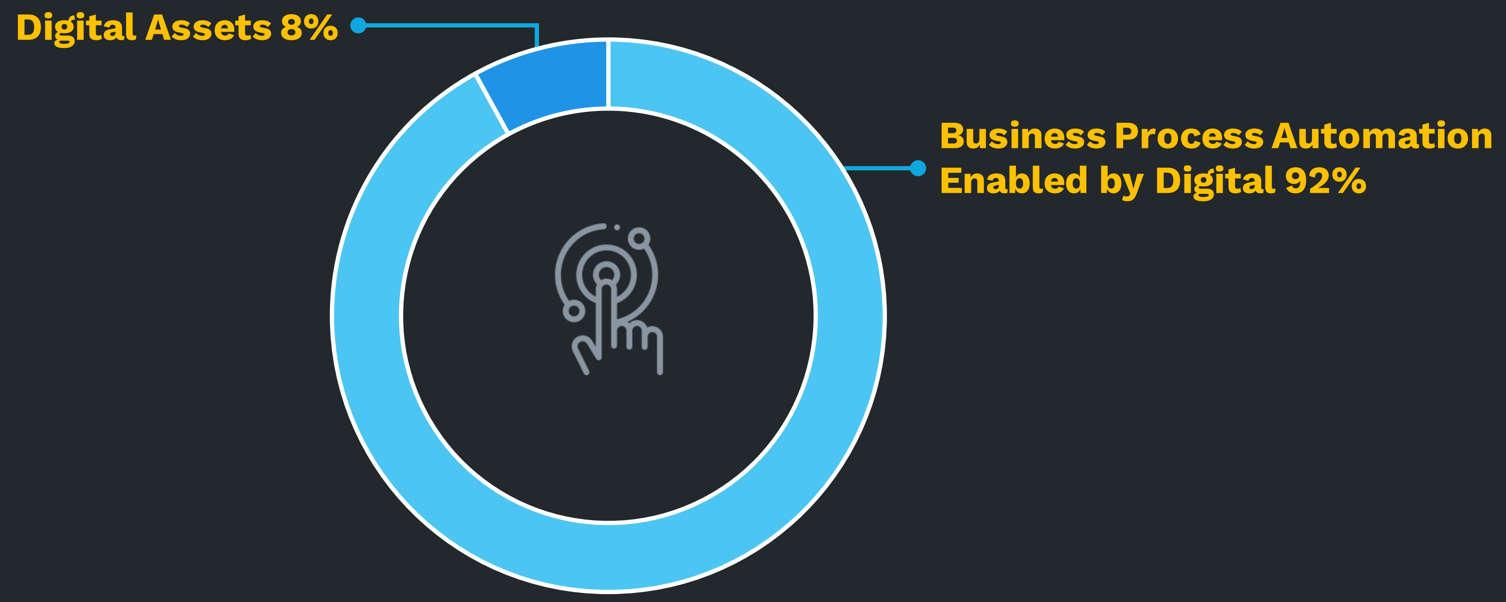
Industries(2)



Customers(2)



Digital Foundations(1)



(1) Calculated on revenue for the twelve months ended September 30, 2021.
(2) Calculated on revenue for the last twelve months ended September 30, 2021.

Significant Cash Flow Improvement in Q4 2021 and Beyond

• Expected annual cash flow improvement in 2022	~$50.0 million
	=
• Interest and loan amortization reduction	+ $37.5 million
• Facility and other lease expense reduction	+ $12.5 million

Exela multistep strategy: next 3 steps

✓ Launched exchange offer to reduce debt by over 25% from $1.355 billion to ~$1.0 billion

✓ Capital deployment for debt reduction and reduced interest expense

✓ Invest for growth in business and people

Third Quarter 2021 Income Statement and Adjusted EBITDA

$ in millions	Q3'21	Q3'20	Change ($)	YTD'21	YTD'20	Change ($)
Information and Transaction Processing Solutions	208.3	234.4	(26.1)	657.5	761.5	(104.0)
Healthcare Solutions	54.0	54.2	(0.2)	161.3	167.4	(6.1)
Legal and Loss Prevention Services	16.9	16.7	0.2	53.5	49.5	4.0
Total Revenue	**279.2**	**305.3**	**(26.1)**	**872.3**	**978.5**	**(106.2)**
% change	*-8.5%*	*-18%*		*-11%*		
Cost of revenue (exclusive of depreciation and amortization)	211.7	234.2	(22.5)	653.4	768.5	(115.2)
Gross profit	**67.5**	**71.1**	**(3.6)**	**218.9**	**209.9**	**9.0**
% change	*-5%*			*4%*		
as a % of revenue	*24%*	*23%*	*1%*	*25%*	*21%*	*4%*
SG&A	43.2	42.8	0.4	121.5	140.2	(18.7)
Depreciation and amortization	19.1	22.1	(3.0)	58.1	68.1	(10.0)
Related party expense	2.7	1.4	1.4	7.2	4.1	3.1
Operating (loss) income	**2.4**	**4.8**	**(2.4)**	**32.1**	**(2.5)**	**34.6**
as a % of revenue	*1%*	*2%*	*-1%*	*4%*	*0%*	*4%*
Interest expense, net	41.8	43.6	(1.9)	127.8	129.6	(1.9)
Loss on extinguishment of debt	(28.1)	-	(28.1)	(28.1)	-	(28.1)
Sundry expense (income) & Other income, net	0.5	(10.8)	11.3	0.7	(45.9)	46.6
Net loss before income taxes	**(11.8)**	**(28.0)**	**16.2**	**(68.4)**	**(86.2)**	**17.9**
Income tax expense (benefit)	1.4	0.3	1.1	3.4	3.4	(0.0)
Net income (loss)	**(13.2)**	**(28.3)**	**15.1**	**(71.8)**	**(89.7)**	**17.9**
as a % of revenue	*-5%*	*-9%*	*5%*	*-8%*	*-9%*	*1%*
Depreciation and amortization	19.1	22.1	(3.0)	58.1	68.1	(10.0)
Interest expense, net	41.8	43.6	(1.9)	127.8	129.6	(1.9)
Income tax expense (benefit)	1.4	0.3	1.1	3.4	3.4	(0.0)
EBITDA	**49.1**	**37.7**	**11.4**	**117.5**	**111.5**	**6.0**
as a % of revenue	*18%*	*12%*	*5%*	*13%*	*11%*	*2%*
EBITDA Adjustments						
1 Gain / loss on derivative instruments	-	(0.9)	0.9	(0.1)	(0.5)	0.4
2 Non-Cash and Other Charges	(19.3)	(1.9)	(17.4)	(6.6)	(22.7)	16.1
3 Transaction and integration costs	1.9	2.6	(0.6)	7.9	11.7	(3.8)
Sub-Total (Adj. EBITDA before O&R)	**31.7**	**37.4**	**(5.8)**	**118.8**	**100.1**	**18.7**
4 Optimization and restructuring expenses	4.7	11.3	(6.6)	15.0	36.1	(21.1)
Adjusted EBITDA	**36.4**	**48.7**	**(12.3)**	**133.8**	**136.2**	**(2.5)**
% change	*-25%*			*-2%*		
as a % of revenue	*13%*	*16%*	*-3%*	*15%*	*14%*	*1%*

Closing Takeaways

- ✓ Expect annual cash flow improvement of $50 million in 2022, a pivotal change
- ✓ Launched exchange offer to reduce debt by over 25% to ~$1.0 billion from $1.355[(1)] billion
- ✓ Rising liquidity of $227 million[(2)]
- ✓ Leverage financial strength to further expand cash flow, lower debt and interest expense in 2022
- ✓ Large market opportunity in BPMS and SMB markets
- ✓ Invest for growth in business and people

Note (1) : Comprised of Senior Secured Notes of $1.0 billion and Term Loans of $355 million as of June 30, 2021. Excludes unamortized original issue discount and debt issuance costs.
Note (2) : Liquidity as defined per the third amendment of the credit agreement effective May 15, 2020 and includes $24 million in addbacks for fees paid for advisory and professional services incurred through November 2, 2021.

Appendix / Reference

2021 Financial Outlook and Operating Model Considerations

Revenue	- Normalization of pre-COVID-19 volumes expected in 2021 - Renewal rates expected to return to historical levels pre-COVID-19 - Continued momentum in winning new business Estimated Range: $1,160 - $1,175 million
Gross Profit Margin	- Improved operating leverage resulting from expected normalization of volumes - Increased productivity of existing employee base and higher utilization of production infrastructure Estimated Range: 23-25% of revenue
Adjusted EBITDA Margin	- Improved operating leverage resulting from the scaling of revenue with minimal additions to production infrastructure - Reduction in professional and legal expenses due to normalization of capital structure Estimated Range: 16-17% of revenue
Capex and Working Capital	- Capex levels of approximately 1% of revenue, in line with historic levels - Working capital in line with historic levels and recent trends

Reconciliation of non-GAAP measures – Revenue and Adj EBITDA

Non-GAAP constant currency revenue reconciliation

($ in millions)	Three months ended 30-Sep-21	Three months ended 30-Sep-20	Three months ended 30-Jun-21	Nine months ended 30-Sep-21	Nine months ended 30-Sep-20
Revenues, as reported (GAAP)	**$279.2**	**$305.3**	**$293.0**	**$872.3**	**$978.5**
Foreign currency exchange impact [1]	(1.4)		(5.5)	(11.9)	
Revenues, at constant currency (Non-GAAP)	**$277.9**	**$305.3**	**$287.5**	**$860.4**	**$978.5**

(1) Constant currency excludes the impact of foreign currency fluctuations and is computed by applying the average exchange rates for the three months and nine months ended September 30, 2020, to the revenues during the corresponding period in 2021.

Reconciliation of Adjusted EBITDA

($ in millions)	Three months ended 30-Sep-21	Three months ended 30-Sep-20	Three months ended 30-Jun-21	Nine months ended 30-Sep-21	Nine months ended 30-Sep-20
Net loss (GAAP)	**($13.2)**	**($28.3)**	**($19.4)**	**($71.8)**	**($89.7)**
Interest expense	41.8	43.6	42.9	127.8	129.6
Taxes	1.4	0.3	2.0	3.4	3.4
Depreciation and amortization	19.1	22.1	19.4	58.1	68.1
EBITDA (Non-GAAP)	**$49.1**	**$37.7**	**$44.9**	**$117.5**	**$111.5**
Transaction and integration costs	1.9	2.6	1.4	7.9	11.7
Gain / loss on derivative instruments	-	(0.9)	-	(0.1)	(0.5)
Other Charges	(19.3)	(1.9)	(0.3)	(6.6)	(22.7)
Sub-Total (Adj. EBITDA before O&R)	**$31.7**	**$37.4**	**$46.0**	**$118.8**	**$100.1**
Optimization and restructuring expenses	4.7	11.3	4.9	15.0	36.1
Adjusted EBITDA (Non-GAAP)	**$36.4**	**$48.7**	**$50.9**	**$133.8**	**$136.2**

Reconciliation of non-GAAP measures – Revenue and Adj EBITDA Margin

Non-GAAP revenue reconciliation & Adjusted EBITDA margin on revenue net of pass through

	Three months ended			Nine months ended	
($ in millions)	30-Sep-21	30-Sep-20	30-Jun-21	30-Sep-21	30-Sep-20
Revenues, as reported (GAAP)	**$279.2**	**$305.3**	**$293.0**	**$872.3**	**$978.5**
(-) Postage & postage handling	50.1	51.0	52.8	162.3	176.0
Revenue - Net of pass through (Non-GAAP)	**$229.1**	**$254.3**	**$240.2**	**$710.0**	**$802.5**
Revenue growth %	(9.9%)			(11.5%)	
Adjusted EBITDA (Non-GAAP)	**$36.4**	**$48.7**	**$50.9**	**$133.8**	**$136.2**
Adjusted EBITDA margin	**15.9%**	**19.1%**	**21.2%**	**18.8%**	**17.0%**