Priority Technology Holdings, Inc. Announces Completion of Debt Refinancing and Preferred Equity Issuance

April 29, 2021

New senior debt facility of $630 million

Preferred stock issuance of up to $250 million

Immediately reduces total net leverage ratio to below 4.0x

ALPHARETTA, Ga., April 29, 2021 /PRNewswire/ -- Priority Technology Holdings, Inc. (NASDAQ: PRTH) ("Priority"), a leading payments technology company, today announced the completion of its debt refinancing and preferred equity issuance.

The new senior debt facility, which improves interest expense by 75 basis points, includes an initial term loan of $300 million used to refinance existing debt and pay debt placement fees and expenses. A committed delayed draw term loan of $290 million is in place and will be used to finance a portion of the Finxera acquisition at closing later this year. Also, a new $40 million revolving credit facility is immediately available.

"The combination of these financings positions us for accelerated growth as we continue to strengthen our payments and banking as a service technology platform to be the market leading consolidator of SMB and ISV payment solutions," said Tom Priore, Chairman and Chief Executive Officer of Priority. "With our leverage below 4 times EBITDA post-transaction and meaningfully improving free cash flow, we have the full financial flexibility to thoughtfully pursue our organic and inorganic growth initiatives."

Priority has also executed a strategic preferred equity investment from credit funds managed by certain affiliates of Ares Management that includes an initial issuance of $150 million used to refinance existing debt, pay stock issuance fees and expenses, and add cash to the balance sheet for acquisitions. A committed delayed issuance of $50 million will be used to finance a portion of the Finxera acquisition at closing later this year. An additional $50 million issuance is available within 18 months to finance other acquisitions.

"We see significant growth potential for Priority given the company's significant momentum and scalable platform with recurring revenue streams," said Joel Holsinger, Co-Head of the Alternative Credit group of Ares Management Corporation. "We look forward to working closely with the outstanding Priority team to position the company for long-term growth and success."

"We are thrilled to welcome Ares as our new, long-term partner," continued Priore. "Ares has an exceptional reputation and experience with financial services companies, and we look forward to leveraging the team's sector expertise. We are confident that with Ares's support, we will continue to expand our business."

About Priority Technology Holdings, Inc.

Priority is a leading provider of merchant acquiring, integrated payment software and corporate payment solutions, offering unique product and service capabilities to its merchant network and distribution partners. Priority's enterprise operates from a purpose-built payments infrastructure that includes tailored customer service offerings and bespoke technology development, allowing Priority to provide end-to-end solutions for payment and payment-adjacent software. Additional information can be found at www.PRTH.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services, and other statements identified by words such as "may," "will," "should," "anticipates," "believes," "expects," "plans," "future," "intends," "could," "estimate," "predict," "projects," "targeting," "potential" or "contingent," "guidance," "anticipates," "outlook" or words of similar meaning. These forward-looking statements include, but are not limited to, our 2021 outlook. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive risks, trends and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking statements. These forward-looking statements may include, but are not limited to, statements about the effects of the COVID-19 pandemic on our revenues and financial operating results. Our actual results could differ materially, and potentially adversely, from those discussed or implied herein.

We caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that

could affect our actual results. All forward-looking statements are expressly qualified in their entirety by these cautionary statements. You should evaluate all forward-looking statements made in this press release in the context of the risks and uncertainties disclosed in our Securities and Exchange Commission ("SEC") filings, including our Annual Report on Form 10-K filed with the SEC on March 30, 2021 These filings are available online at www.sec.gov or www.PRTH.com.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences we anticipate or affect us or our operations in the way we expect. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance. The forward-looking statements included in this press release are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

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Released April 29, 2021