Priority Technology Holdings, Inc. Announces Acquisition of Merchant Portfolio Assets from Direct Connect and Expanded Credit Facility

December 31, 2018

ALPHARETTA, Ga.--(BUSINESS WIRE)-- Priority Technology Holdings, Inc. (NASDAQ: PRTH) (“Priority” or the “Company”), a leading provider of merchant acquiring and commercial payment solutions, today announced the acquisition of certain merchant portfolio assets from Direct Connect Merchant Services LLC and Blue Parasol Group LLC [together, “Direct Connect”], a portfolio company of The Beekman Group. As part of the transaction, Priority will add a diverse and low-risk merchant portfolio processing $1.7 billion in annual volume, as well as a productive sales engine contributing to enterprise growth.

Based in the Dulles Corridor of Northern Virginia, Direct Connect provides customized ecommerce and electronic payment processing services to businesses across the United States and Canada. In business since 1994, Direct Connect’s focused customer service and consistent reliability have made it a respected industry leader and a trusted partner of the customers that rely on them for their processing needs.

In addition to the acquisition, the Company also announced it has amended its Senior Secured Credit Facility to permit an additional $130.0 million of borrowings. This expanded credit facility will be used to finance the acquisition from Direct Connect and to complete certain other proposed transactions for additional merchant acquiring assets.

Thomas C. Priore, Executive Chairman and CEO of Priority, stated, “We are extremely excited to have added Direct Connect’s merchant portfolio assets and productive sales relationships to Priority. Along with the increased diversification across industries, geographies and merchant sizes, we expect to capture operational expense synergies as part of the acquisition, as well as the opportunity to enhance effectiveness and productivity via access to Priority’s purpose-built reseller tools and merchant products. Its increasing focus on software-integrated payments is also highly consistent with both our acquisition and growth strategies, representing an excellent addition to the Priority platform to drive long-term shareholder value.”

Andrew Brown, Managing Director of The Beekman Group, noted, “The sale of Direct Connect’s Independent Sales Agents (ISAs) portfolio to Priority will be a tremendous benefit to our ISAs and their merchants. The transaction and our developing partnership with Priority will also enable our retained payments business to continue to refine its focus on Integrated Payments.”

About Priority Technology Holdings, Inc.
Priority is a leading provider of merchant acquiring and commercial payment solutions, offering unique product and service capabilities to its merchant network and distribution partners. Priority’s enterprise operates from a purpose-built business platform that includes tailored customer service offerings and bespoke technology development, allowing the Company to provide end-to-end solutions for payment and payment-adjacent opportunities. Additional information can be found at www.PRTH.com.

Forward-Looking Statements
This press release contains forward-looking statements that are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected, expressed, or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by use of words such as "may, will, should, anticipates, believes, expects, plans, future, intends, could, estimate, predict, projects, targeting, potential or contingent," the negative of these terms or other similar expressions. Our actual results could differ materially 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 SEC filings. 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. 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 our forward-looking statements by these cautionary statements.

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