Second Quarter 2022 Results

August 9, 2022

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Notices

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Non-GAAP Financial Measures: 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 slide titled *Reconciliation of non-GAAP measures*.

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

Key messages and objectives for 2022

A. Invest: Continue to invest for growth

B. Cash is king: Capital structure dislocation represents an opportunity

C. Talent: Promote and hire the best talent

D. STS: Serve the shareholders

E. Position Exela for margin expansion and growth in 2023 and beyond

Select highlights for Q2 2022: not an ordinary quarter

1. Capital Deployment Strategy: deposited $70M of 2026 Notes in XCV-STS, set aside for the benefit of our shareholders
2. Raised $58M in equity capital
3. Reduced debt by $118M
4. Completed $150M securitization facility with PNC
5. Won $229.7M in TCV, the highest amount in a quarter in over 3 years
6. Substantial uptick in Digital Asset platforms DMR and DrySign®

Select highlights for Q2 2022: not an ordinary quarter

7. WFA business model is gaining traction. Over 8,549 employees or just over 50% of our employees are taking advantage of our WFA business model
8. Potential savings for 2023 of $11.8M including 20% reduction of real estate in 2022
9. Largest Note Holder: ETI parent is now the largest holder of 2026 Notes
10. Talent: simplified management organization is complete

Additional considerations:

- Inflation, tight job markets, network outage and strong dollar are negative impacts
- Faster ramp of new business: incremental, profitable new business can contribute to base
- Investment in bench continues to support our customers

A. Sales objective for 2022: Grow Profitable Revenue

~294% sequential uptick in TCV won, led by tech, but growth may be an outlier

#1.	TCV Won	$229.7M in Q2 vs $78M in Q1 2022	
	TCV renewed / Renewal rate	~$41.5M or 93%	
	Annual recurring revenue	~98%	
#2.	DMR SMB customer growth rate	343%	Cumulative: Q2 2022/Q2 2021
	DrySign user growth rate	1,786%	

- All segments showing demand – XBP, part of ITPS, is the largest contributor
- Impact of rising interest rates and economic slow down: historically, demand has risen as our customers look to optimize cost model

B. Operations - select highlights

#3. Global network outage – global infrastructure was proactively shutdown for multiple days

#4. Approximately $14M in lower Q2 revenue: ~$9M from #3 above that created a backlog of ~$5M for Q3 2022 and additional ~$5M due to resource shortage

#5. Annualized Q2 investment in bench at ~$19M to meet our customers' forecasts

#6. WFA in Q2 at ~8,549 or 51.3% of total FTEs; annual delivery cost anticipated to decline

Earnings will be impacted until inflection point

C. WFA & uberization ramping up and has potential to lower personnel cost

#7. Key highlights of our team as of June 30, 2022: 16,670[1] FTEs

Work from anywhere	~8,549 or 51.3% of total FTE
Uberization of workforce platform	15,373+ with +9,627 planned
How many we plan to hire in 2022	~5,000 including backfill
Attrition rates in Q2 2022	~2.8% avg per month
Uberized to captive delivery FTE ratio	8:1
Investment in bench	~$4.8M/Q or ~$19M/Y
Bench size will come down as job markets stabilize	May continue beyond 2022

We have the tools to balance between tight job market, rising costs, and attrition on one hand and uberization of WFA through cloud deployments, however not easy to predict the timing of upside

Note 1: Excludes part-time employees

D. Real estate lease expense projected to be lower by ~20.6% in 2023 over 2022

Real estate leased facilities: declining SQ FT, led by WFA

Total real estate	SQ FT	Cost per year in $s
Leased (excludes sub-lease)	2,800,543	$30,406,430
Owned	242,593	Nominal
Dark facilities	127,716	$2,088,395
Planned for reduction in 2022	381,211 left of 445,493; 15% complete	$6,124,339 left of $6,334,792

Financial Update

Key drivers impacting Revenue in Q2 2022

Key impact drivers	Revenue
1. Network Outage	$9M
2. Currency change impact	$6.2M
3. Covid and Transition Impact	$20.3M
Total Negative impact in Q2 2022 over Q2 2021	($35.5M)
Growth in Revenue in Q2	+$9.3M
Net Revenue Impact Q2 2022 over Q2 2021	$26.2M
Staff shortage	~$5M
Increase in backlog for Q3 due to Network Outage	~$5M

- Historically Q3 is soft due to seasonality
- Backlog combined with substantial TCV wins could positively impact H2

Q2 2022 Unaudited Income Statement and Adjusted EBITDA

$ in million	Q2-2022	Q2-2021	Increase (Decrease) YoY ($ mn)	Increase (Decrease) YoY (%)	Q1-2022	Increase (Decrease) QoQ ($ mn)	Increase (Decrease) QoQ (%)
Information and Transaction Processing Solutions	190.0	217.3	(27.3)	*(12.6%)*	205.0	(15.0)	*(7.3%)*
Healthcare Solutions	56.4	56.2	0.2	*0.4%*	56.6	(0.2)	*(0.4%)*
Legal and Loss Prevention Services	20.4	19.5	0.9	*4.3%*	17.8	2.6	*14.6%*
Total Revenue	**266.8**	**293.0**	**(26.2)**	**-9.0%**	**279.4**	**(12.6)**	**-4.5%**
Gross profit	49.5	83.9	(34.4)	*(41.0%)*	55.9	(6.4)	*(11.5%)*
Gross profit margin	*18.6%*	*28.6%*	*(10.1%)*	*-1009 bps*	*20.0%*	*(1.5%)*	*-145 bps*
SG&A	50.2	36.4	13.8	*37.9%*	43.0	7.2	*16.6%*
Operating (loss) income	(20.9)	25.4	(46.3)	*(182.3%)*	(7.3)	(13.5)	*184.3%*
Operating margin	*(7.8%)*	*8.7%*	*(16.5%)*	*-1649 bps*	*(2.6%)*	*(5.2%)*	*-520 bps*
Net income (loss)	(79.2)	(19.4)	(59.8)	*308.9%*	(57.0)	(22.2)	*39.1%*
Net income margin	*(29.7%)*	*(6.6%)*	*(23.1%)*	*-2308 bps*	*(20.4%)*	*(9.3%)*	*-930 bps*
EBITDA	(17.6)	44.9	(62.6)	*(139.3%)*	3.5	(21.2)	*(601.6%)*
EBITDA Margin	*(6.6%)*	*15.3%*	*(21.9%)*	*-2194 bps*	*1.3%*	*(7.9%)*	*-787 bps*
Adjusted EBITDA	**36.5**	**50.9**	**(14.5)**	**-28.4%**	**36.1**	**0.3**	**0.9%**
Adjusted EBITDA margin	*13.7%*	*17.4%*	*(3.7%)*	*-371 bps*	*12.9%*	*0.7%*	*74 bps*

Actions to improve gross margins, operating and net income

Inflation, tight job market and rising dollar: rising costs impacting business

A. Existing COLA provisions insufficient	Need to amend contracts which are up for renewal
B. Annual rent reduction	~$6.3M / 445,493 sq ft; FY benefits more likely in 2023
C. Executed annual savings	$5.5M full year benefits in 2023

#8. Target Savings for FY 2023 benefits	Estimated at ~$11.8M (B+C)
#9. Bench cost	~$19M of investment in bench can lead to revenue conversion

Results may differ based on shifting ground realities

Deleveraging continues in Q2 2022 with $118M debt reduction

Liquidity highlights and total interest-bearing debt: long-term and short-term

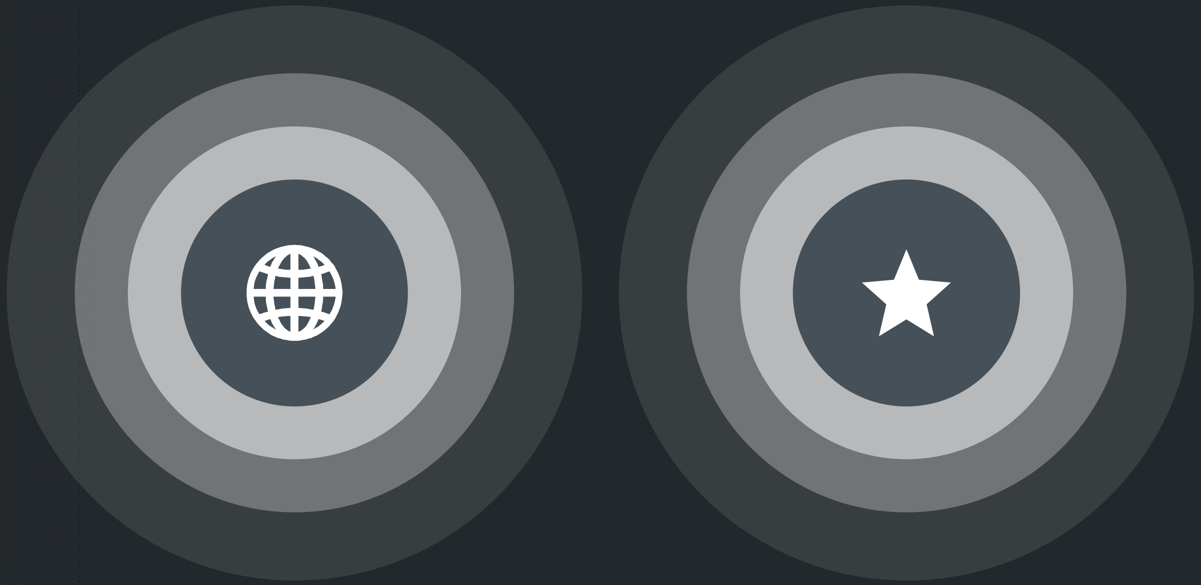
A. Total Liquidity as of June 30, 2022	$72M	Cash and unused lines of credit
B. Total Debt[(1)] Reduction	$118M	In Q2 2022 from Q1 2022
C. Blended coupon rate	11.15%	Increased slightly, all classes and types of debt
D. Plans to add term loan to facility	$30-35M	Further increase liquidity
E. PNC $150M facility	~$85M	Usage up with additional $65M available to fund incremental A/R from sales growth
F. Interest expense reduction, annually	$10M	Based on debt outstanding at Q2 2022 vs Q4 2021

#10. Parent has become the largest holder of 2026 Notes

Note 1: Total debt includes interest bearing current liabilities. Reduction was primarily driven by the Securitization Facility payoff in the amount of $92.0 million.

Deliver
Fundamental value creation

Leverage
Global Operating Presence



Growth Assets

Q&A

Appendix / Reference

Reconciliation of non-GAAP measures – Revenue and Adjusted EBITDA

Non-GAAP constant currency revenue reconciliation

($ in millions)	Three months ended 30-Jun-22	30-Jun-21	31-Mar-22
Revenues, as reported (GAAP)	**$266.8**	**$293.0**	**$279.4**
Foreign currency exchange impact [1]	6.2		3.7
Revenues, at constant currency (Non-GAAP)	**$273.0**	**$293.0**	**$283.1**

(1) Constant currency excludes the impact of foreign currency fluctuations and is computed by applying the average exchange rates for the three months and six months ended June 30, 2021, to the revenues during the corresponding period in 2022.

Reconciliation of Adjusted EBITDA

($ in millions)	Three months ended 30-Jun-22	30-Jun-21	31-Mar-22
Net loss (GAAP)	**($79.2)**	**($19.4)**	**($57.0)**
Interest expense	42.3	42.9	39.8
Taxes	1.3	2.0	2.5
Depreciation and amortization	18.0	19.4	18.2
EBITDA (Non-GAAP)	**($17.6)**	**$44.9**	**$3.5**
Transaction and integration costs	8.6	1.4	3.7
Other Charges / (gains)	38.9	(0.3)	22.1
Sub-Total (Adj. EBITDA before O&R)	**$29.9**	**$46.0**	**$29.3**
Optimization and restructuring expenses	6.6	4.9	6.8
Adjusted EBITDA (Non-GAAP)	**$36.5**	**$50.9**	**$36.1**

Defined terms used in the presentation and notes

Defined Terms in Presentation and Notes

1. TCV: Total Contract Value, the aggregate $ value of a contract over its life
2. TCV Pipeline: Total TCV value of deals in Salesforce that are in pipeline as of Q2 2022
3. TCV Won: Total $ New TCV value won in Salesforce in Q2 2022
4. TCV Renewal Rate: Success rate of TCV renewals in percent
5. DMR SMB: Digital Mailroom business focused on Small and Medium Sized Businesses
6. DMR Growth Rate: Growth rate of Digital Mail Room business compared to Q1 2022, unless otherwise stated
7. Remote vs working from our location: Number of employees
8. Working From Anywhere ("WFA")

13. Uberization: Cloud hosted platform, employees and non-employees can use to WFA
14. DrySign: Exela's electronic signature workflow including remote notarization solution
15. DrySign User Growth Rate: Growth rate of DrySign compared to Q1 2022
16. Real Estate
    - Leased: Total leased facilities across regions
    - Owned: Total owned facilities across regions
    - Dark Facilities: Total area not being used
    - Sublease: Total area which is under sublease
    - Planned for reduction in 2022: Total area of facilities planned for reduction in 2022

Defined Terms in Presentation and Notes, cont'd.

17. Attrition rates in Q2 2022: Attrition in Q2 2022 for the various geographies in which the Company operates
18. Investment in bench: training and non-billable hours pending clearance of employee
19. Average Contract Length: Average contract length of recurring deals won in Q2 2022
20. ACV: Annual Contract Value, the aggregate value of a contract divided by the contract length
21. Annual Recurring Rate: Percentage of Annual Revenue Renewed each year
22. Operating volume: Current volume compared to pre-COVID 19 volume
23. Stub: Remaining 2023 Senior Secured Notes and Term Loan that did not participate in the 2021 debt exchange transactions
24. FTE: Full-time equivalent employees
25. XBP: Exchange for Bills and Payments, part of ITPS
26. XBP Sales Numbers: Total XBP sales and revenue numbers in Q2 2022
27. Total debt includes all long-term debt and interest-bearing current liabilities
28. Net debt is calculated as Total Debt (excluding the secured debt repurchase facility) less unrestricted cash