

United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

March 16, 2021
Date of Report (Date of earliest event reported)

Priority Technology Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of incorporation)

001-37872

(Commission File Number)

47-4257046

(I.R.S. Employer Identification No.)

2001 Westside Parkway
Suite 155

Alpharetta,

(Address of Principal Executive Offices)

Georgia

30004

(Zip Code)

Registrant's telephone number, including area code: (800) 935-5961

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, \$0.001 par value	PRTH	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of (1933 §230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On March 17, 2021, Priority Technology Holdings, Inc. ("Priority") issued a press release announcing its financial results for the quarter ended December 31, 2020. A copy of that press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure

On March 17, 2021, Priority will hold an earnings conference call and webcast at 11:00 a.m. (Eastern Time) to discuss the financial results for the fourth quarter of 2020. The press release referenced in Item 2.02 contains information about how to access the conference call and webcast. A copy of the slide presentation to be used during the earnings call and webcast is furnished as Exhibit 99.2 to this Current Report on Form 8-K. The slide presentation also will be available on our website, www.prth.com under the "Investor Relations" section.

The information in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report on Form 8-K shall not be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits – The following exhibit is furnished as part of this Current Report on Form 8-K.

Exhibit No.	Description of Exhibit
99.1	Press Release of Priority Technology Holdings, Inc. dated March 16, 2021
99.2	Slide Presentation
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 16, 2021

PRIORITY TECHNOLOGY HOLDINGS, INC.

By: /s/ Michael Vollkommer
Name: Michael Vollkommer
Title: Chief Financial Officer



Investor and Media Inquiries:
 Dave Faupel
 dave.faupel@prth.com

Priority Technology Holdings, Inc. Announces Fourth Quarter and Full Year 2020 Financial Results

Strong Fourth Quarter Financial Performance with Continued Growth and Further Deleveraging

ALPHARETTA, GA - March 16, 2021 -- Priority Technology Holdings, Inc. (NASDAQ: PRTH) ("Priority" or the "Company"), a leading provider of merchant acquiring, integrated payment software and commercial payment solutions, today announced its fourth quarter financial results including strong year-over-year revenue growth and further deleveraging during the quarter.

Highlights of Consolidated Results

Fourth Quarter 2020, Compared with Fourth Quarter 2019

Financial highlights of the fourth quarter of 2020 compared with the fourth quarter of 2019, are as follows:

- Revenue of \$106.1 million increased 8.1% from \$98.2 million.
- Gross profit (a non-GAAP measure¹) of \$32.5 million increased 3.2% from \$31.4 million.
- Gross profit margin (a non-GAAP measure¹) of 30.6% decreased 144 basis points from 32.0%.
- Income from operations of \$6.2 million increased 489.3% from \$1.1 million.
- Net loss of \$1.0 million compares with a net loss of \$7.2 million.
- Diluted loss per share of \$0.01 compares with a diluted loss per share of \$0.11.
- Adjusted EBITDA (a non-GAAP measure¹) of \$18.2 million increased 12.7% from \$16.2 million.
- Total net leverage ratio of 5.85x at December 31, 2020 decreased from 6.16x at September 30, 2020².

The fourth quarter of 2019 includes the results of the RentPayment business sold to MRI Software in September 2020. The fourth quarter of 2020 compared with the results of the fourth quarter of 2019, excluding the RentPayment business³, are as follows:

- Revenue increased 12.3% from \$94.5 million.
- Gross profit (a non-GAAP measure¹) increased 15.5% from \$28.2 million.
- Gross profit margin (a non-GAAP measure¹) increased 84 basis points from 29.8%.
- Adjusted EBITDA (a non-GAAP measure¹) increased 35.2% from \$13.6 million.

Full Year 2020, Compared with Full Year 2019

Financial highlights of the full year 2020 compared with the full year 2019, are as follows:

- Revenue of \$404.3 million increased 8.7% from \$371.9 million.
- Gross profit (a non-GAAP measure¹) of \$127.0 million increased 6.4% from \$119.3 million.
- Gross profit margin (a non-GAAP measure¹) of 31.4% decreased 68 basis points from 32.1%.

- Income from operations of \$20.9 million increased 190.4% from \$7.2 million.
- Net income of \$25.7 million, which includes the pre-tax gain from the sale of the RentPayment business, net of non-controlling interests ("NCIs"), of \$62.1 million, compares with a net loss of \$33.6 million.
- Diluted income per share of \$0.38 compares with a diluted loss per share of \$0.50.
- Adjusted EBITDA (a non-GAAP measure¹) of \$70.3 million increased 19.4% from \$58.9 million.

The consolidated results include the results of the RentPayment business from March 1, 2019 through September 22, 2020. Excluding the RentPayment business³, results for the full year 2020 compared with the results for the full year 2019 are as follows:

- Revenue of \$392.3 million increased 8.9% from \$360.2 million.
- Gross profit (a non-GAAP measure¹) of \$116.3 million increased 6.9% from \$108.8 million.
- Gross profit margin (a non-GAAP measure¹) of 29.6% decreased 55 basis points from 30.2%.
- Adjusted EBITDA (a non-GAAP measure¹) of \$62.1 million increased 25.0% from \$49.7 million.

(1) See "Non-GAAP Financial Measures" and the reconciliations of Gross Profit, Gross Profit Margin, and Adjusted EBITDA to their most comparable GAAP measures provided below for additional information.

(2) See "Non-GAAP Financial Measures" and the calculation of Total Net Leverage Ratio for the year ended December 31, 2020, provided below for additional information.

(3) See "Results With and Without RentPayment" for a summary of the results for the three and the twelve months ended December 31, 2020 and 2019, excluding the actual results of the RentPayment business sold in September 2020.

"The momentum that we built in the third quarter continued through the fourth quarter and while these successes would have been meaningful in any year, I am especially proud of our team given the challenges presented by the pandemic," said Tom Priore, Chairman and Chief Executive Officer of Priority. "We produced growth in revenue, gross profit and adjusted EBITDA and with our Finxera acquisition, we will be a one stop-shop for payments and virtual bank account management that today's merchants and modern software companies are seeking in order to manage and monetize their payment networks."

"We have executed on our plan to build out our Payment Infrastructure as a Service (PIaaS) solutions while continuing to grow our consumer, commercial and integrated payments divisions," continued Priore. "We enter 2021 in growth mode with strong activity and a solid pipeline. We expect that the strength of our core acquiring business and complimentary high growth, countercyclical payment assets will drive strong financial performance in 2021."

Conference Call

Priority Technology Holdings, Inc.'s leadership will host a conference call on Wednesday, March 17, 2021 at 11:00 a.m. EST to discuss its fourth quarter and full year 2020 financial results. Participants can access the call by Phone: US/Canada: (877) 501-3161 or International: (786) 815-8443.

The Internet webcast link and accompanying slide presentation can be accessed at <https://edge.media-server.com/mmc/p/9rjzgeoo> and will also be posted in the "Investor Relations" section of the Company's website at www.PRTH.com.

An audio replay of the call will be available shortly after the conference call until March 20, 2021 at 1:30 p.m. EST. To listen to the audio replay, dial (855) 859-2056 or (404) 537-3406 and enter conference ID number **6918659**. Alternatively, you may access the webcast replay in the "Investor Relations" section of the Company's website at www.PRTH.com.

Non-GAAP Financial Measures

This communication includes certain non-GAAP financial measures that we regularly review to evaluate our business and trends, measure our performance, prepare financial projections, allocate resources, and make strategic decisions. We believe these non-GAAP measures help to illustrate the underlying financial and business trends relating to our results of operations and comparability between current and prior periods. We also use these non-GAAP measures to establish and monitor operational goals. However, these non-GAAP measures are not superior to or a substitute for prominent measurements calculated in accordance with GAAP. Rather, the non-GAAP measures are meant to be a complement to understanding measures prepared in accordance with GAAP.

Gross Profit and Gross Profit Margin

The Company's non-GAAP gross profit metric represents revenues less costs of services. Gross profit margin is gross profit divided by revenues. We review these non-GAAP measures to evaluate our underlying profit trends. The reconciliation of gross profit to its most comparable GAAP measure is provided below:

(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Revenues	\$ 106,091	\$ 98,183	\$ 404,342	\$ 371,854
Costs of Services	(73,641)	(66,742)	(277,374)	(252,569)
Gross Profit	<u>\$ 32,450</u>	<u>\$ 31,441</u>	<u>\$ 126,968</u>	<u>\$ 119,285</u>
Gross Profit Margin	<u>30.6 %</u>	<u>32.0 %</u>	<u>31.4 %</u>	<u>32.1 %</u>

EBITDA, Adjusted EBITDA and Consolidated Adjusted EBITDA

EBITDA and adjusted EBITDA are performance measures. EBITDA is earnings before interest, income tax, and depreciation and amortization expenses ("EBITDA"). Adjusted EBITDA begins with EBITDA but further excludes certain non-cash costs, such as stock-based compensation and the write-off of the carrying value of investments or other assets, as well as debt extinguishment and modification expenses and other expenses and income items considered non-recurring, such as acquisition integration expenses, certain professional fees, and litigation settlements. Consolidated adjusted EBITDA, which is a liquidity measure used in determining our total net leverage ratio, is adjusted EBITDA further adjusted for items specified in the definition of consolidated adjusted EBITDA within our debt agreements, which include the pro-forma impact of acquisitions and dispositions and other specified adjustments. We review the non-GAAP adjusted EBITDA measure to evaluate our business and trends, measure our performance, prepare financial projections, allocate resources, and make strategic decisions.

We review the non-GAAP consolidated adjusted EBITDA to evaluate compliance with our total net leverage ratio at each measurement period. The reconciliation of adjusted EBITDA to its most comparable GAAP measure is provided below:

	<i>(in thousands)</i>			
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net (loss) income	\$ (1,004)	\$ (7,169)	\$ 25,661	\$ (33,589)
Interest expense	9,385	10,051	44,839	40,653
Income tax (benefit) expense	(2,020)	(1,638)	10,899	830
Depreciation and amortization	9,889	10,329	40,775	39,092
EBITDA	16,250	11,573	122,174	46,986
Gain on sale, net of NCIs	—	—	(62,091)	—
Debt extinguishment and modification	—	—	1,899	—
Write-off of equity-method investment	—	—	211	—
Selling, general and administrative	1,180	4,310	5,710	8,266
Non-cash stock-based compensation	803	298	2,430	3,652
Adjusted EBITDA	<u>\$ 18,233</u>	<u>\$ 16,181</u>	<u>\$ 70,333</u>	<u>\$ 58,904</u>
Reconciliation to Consolidated Adjusted EBITDA for the twelve months ended December 31, 2020:				
Adjusted EBITDA			\$ 70,333	
Allowable Board fee add-back			1,500	
Other adjustments			161	
RentPayment 2020 adjusted EBITDA			(8,221)	
Consolidated Adjusted EBITDA			<u>\$ 63,773</u>	
Consolidated Total Debt at December 31, 2020:				
Current portion of long-term debt			\$ 19,442	
Long-term debt, net of discounts and deferred financing costs			357,873	
Unamortized debt discounts and deferred financing costs			4,725	
			<u>382,040</u>	
Less unrestricted cash			(9,241)	
Consolidated Net Debt			<u>\$ 372,799</u>	
Total Net Leverage Ratio				<u>5.85x</u>

Further detail of certain of these adjustments, and where these items are recorded in our consolidated statements of operations, is provided below:

(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,		Segment
	2020	2019	2020	2019	
Selling, general and administrative expense:					
Acquisition integration services	\$ (119)	\$ 1,723	\$ 2,628	\$ 2,910	Integrated Partners
Intangible carrying value adjustment	773	—	1,753	—	Consumer
Legal and professional fees	416	3,173	1,941	6,353	Corporate
Legal settlements	3	34	(719)	(377)	Corporate
Change in fair value of contingent consideration	(360)	(620)	(360)	(620)	Consumer
Write-down of note receivable	467	—	467	—	Consumer
	<u>\$ 1,180</u>	<u>\$ 4,310</u>	<u>\$ 5,710</u>	<u>\$ 8,266</u>	
Salary and employee benefit expense:					
Non-cash stock-based compensation	\$ 108	\$ 141	\$ 440	\$ 1,572	Consumer
Non-cash stock-based compensation	27	32	122	588	Commercial
Non-cash stock-based compensation	1	1	2	3	Integrated Partners
Non-cash stock-based compensation	667	124	1,866	1,489	Corporate
	<u>\$ 803</u>	<u>\$ 298</u>	<u>\$ 2,430</u>	<u>\$ 3,652</u>	
Other:					
Debt extinguishment and modification			\$ 1,899		
Write-off of equity-method investment			211		
			<u>\$ 2,110</u>		
Gain on sale of business			\$ 107,239		
Attributable to NCIs			(45,148)		
Gain on sale, net of NCIs			<u>\$ 62,091</u>		

Priority does not provide a reconciliation of forward-looking non-GAAP financial measures to their comparable GAAP financial measures because it could not do so without unreasonable effort due to the unavailability of the information needed to calculate reconciling items and due to the variability, complexity and limited visibility of the adjusting items that would be excluded from the non-GAAP financial measures in future periods. When planning, forecasting and analyzing future periods, the Company does so primarily on a non-GAAP basis without preparing a GAAP analysis as that would require estimates for various cash and non-cash reconciling items that would be difficult to predict with reasonable accuracy. For example, stock-based compensation expense would be difficult to estimate because it depends on the Company's future hiring and retention needs, as well as the future fair market value of the Company's common stock, all of which are difficult to predict and subject to constant change. As a result, the Company does not believe that a GAAP reconciliation would provide meaningful supplemental information about the Company's outlook.

About Priority Technology Holdings, Inc.

Priority is a leading provider of merchant acquiring, integrated payment software 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" 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," "outlook" or words of similar meaning. These forward-looking statements include, but are not limited to, expected timing of the closing of Priority Technology Holdings, Inc.'s ("Priority", "we", "our", or "us") merger with Finxera Holdings, Inc. ("Finxera") and our 2021 outlook and statements regarding our market and growth opportunities. 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 SEC filings, including our most recent Annual Report on Form 10-K filed with the SEC on March 30, 2020. 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.

PRIORITY TECHNOLOGY HOLDINGS, INC.
Condensed Consolidated Statements of Operations
Unaudited

(in thousands, except per share amounts)

	Three Months Ended		Year Ended December 31,	
	December 31,	2019	2020	2019
	2020	2019	2020	2019
REVENUES	\$ 106,091	\$ 98,183	\$ 404,342	\$ 371,854
OPERATING EXPENSES:				
Costs of services	73,641	66,742	277,374	252,569
Salary and employee benefits	9,812	10,291	39,507	42,214
Depreciation and amortization	9,889	10,329	40,775	39,092
Selling, general and administrative	6,520	9,764	25,825	30,795
Total operating expenses	<u>99,862</u>	<u>97,126</u>	<u>383,481</u>	<u>364,670</u>
Income from operations	<u>6,229</u>	<u>1,057</u>	<u>20,861</u>	<u>7,184</u>
OTHER (EXPENSES) INCOME:				
Interest expense	(9,385)	(10,051)	(44,839)	(40,653)
Debt extinguishment and modification costs	—	—	(1,899)	—
Gain on sale of business	—	—	107,239	—
Other income, net	182	187	596	710
Total other (expenses) income, net	<u>(9,203)</u>	<u>(9,864)</u>	<u>61,097</u>	<u>(39,943)</u>
(Loss) income before income taxes	(2,974)	(8,807)	81,958	(32,759)
Income tax (benefit) expense	<u>(2,020)</u>	<u>(1,638)</u>	<u>10,899</u>	<u>830</u>
Net (loss) income	(954)	(7,169)	71,059	(33,589)
Less net income attributable to non-controlling interests	<u>(50)</u>	<u>—</u>	<u>(45,398)</u>	<u>—</u>
Net (loss) income attributable to stockholders of Priority Technology Holdings, Inc.	<u>\$ (1,004)</u>	<u>\$ (7,169)</u>	<u>\$ 25,661</u>	<u>\$ (33,589)</u>
Income (loss) per common share:				
Basic and diluted	\$ (0.01)	\$ (0.11)	\$ 0.38	\$ (0.50)
Weighted-average common shares and equivalents:				
Basic	67,288	67,019	67,158	67,086
Diluted	67,532	67,019	67,263	67,086

PRIORITY TECHNOLOGY HOLDINGS, INC.
Condensed Consolidated Balance Sheets

(in thousands)

	<i>Unaudited</i>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
ASSETS		
Current assets:		
Cash	\$ 9,241	\$ 3,234
Restricted cash	78,879	47,231
Accounts receivable, net of allowance for doubtful accounts	41,321	37,993
Prepaid expenses and other current assets	3,500	3,897
Current portion of notes receivable	2,190	1,326
Settlement assets	753	533
Total current assets	<u>135,884</u>	<u>94,214</u>
Notes receivable, less current portion	5,527	4,395
Property, equipment and software, net	22,875	23,518
Goodwill	106,832	109,515
Intangible assets, net	98,057	182,826
Deferred income taxes, net	46,697	49,657
Other non-current assets	1,957	380
Total assets	<u>\$ 417,829</u>	<u>\$ 464,505</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 29,821	\$ 26,965
Accrued residual commissions	23,824	19,315
Customer deposits and advance payments	2,883	4,928
Current portion of long-term debt	19,442	4,007
Settlement obligations	72,878	37,789
Total current liabilities	<u>148,848</u>	<u>93,004</u>
Long-term debt, net of current portion, discounts and debt issuance costs	357,873	485,578
Other non-current liabilities	9,672	6,612
Total long-term liabilities	<u>367,545</u>	<u>492,190</u>
Total liabilities	<u>516,393</u>	<u>585,194</u>
Stockholders' deficit:		
Preferred stock	—	—
Common stock	68	68
Treasury stock, at cost	(2,388)	(2,388)
Additional paid-in capital	5,769	3,651
Accumulated deficit	(102,013)	(127,674)
Total Priority Technology Holdings, Inc. stockholders' deficit	<u>(98,564)</u>	<u>(126,343)</u>
Non-controlling interest in subsidiary	—	5,654
Total stockholders' deficit	<u>(98,564)</u>	<u>(120,689)</u>
Total liabilities and stockholders' deficit	<u>\$ 417,829</u>	<u>\$ 464,505</u>

PRIORITY TECHNOLOGY HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
Unaudited

(in thousands)

	Year Ended December 31,	
	2020	2019
Cash flows from operating activities:		
Net income (loss)	\$ 71,059	\$ (33,589)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Gain recognized on sale of business	(107,239)	—
Transaction costs upon sale of business	(5,383)	—
Depreciation and amortization of assets	40,775	39,092
Equity-classified and liability-classified stock compensation	2,430	3,652
Amortization of debt issuance costs and discounts	2,396	1,667
Deferred income tax expense, net of change in allowance	2,960	765
Payment-in-kind interest	8,573	5,126
Write off of deferred loan costs and discount	1,523	—
Impairment charges for intangible assets	1,753	—
Other non-cash items, net	84	(1,428)
Change in operating assets and liabilities, excluding business sale:		
Accounts receivable	(5,160)	(1,736)
Settlement assets and obligations, net	34,870	27,284
Prepaid expenses and other current assets	65	(1,230)
Notes receivable	(2,230)	(390)
Accounts payable and other accrued liabilities	1,343	(1,061)
Customer deposits and advance payments	(2,045)	1,646
Other assets and liabilities, net	1,298	(434)
Net cash provided by operating activities	47,072	39,364
Cash flows from investing activities:		
Sale of business	179,416	—
Additions to property, equipment and software	(7,461)	(11,118)
Acquisitions of intangible assets	(5,559)	(82,945)
Notes receivable loan funding	—	(3,500)
Other investing activity	—	(184)
Net cash provided by (used in) investing activities	166,396	(97,747)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt, net of issue discount	—	69,650
Repayments of long-term debt	(110,507)	(3,828)
Profit distributions to non-controlling interests of subsidiaries	(45,398)	—
Borrowings under revolving credit facility	7,000	14,000
Repayments under revolving credit facility	(18,505)	(2,500)
Debt issuance and modification costs (paid) refunded	(2,749)	83
Redemption of redeemable non-controlling interest of subsidiary	(5,654)	—
Repurchases of common stock	—	(2,388)
Net cash (used in) provided by financing activities	(175,813)	75,017
Net change in cash and restricted cash:		
Net increase in cash and restricted cash	37,655	16,634
Cash and restricted cash at beginning of year	50,465	33,831
Cash and restricted cash at end of year	\$ 88,120	\$ 50,465

PRIORITY TECHNOLOGY HOLDINGS, INC.
Reportable Segments' Results
Unaudited

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Consumer Payments:				
Revenue	\$ 100,777	\$ 87,394	\$ 367,816	\$ 330,599
Operating expenses	87,905	77,453	329,424	298,362
Income from operations	<u>\$ 12,872</u>	<u>\$ 9,941</u>	<u>\$ 38,392</u>	<u>\$ 32,237</u>
Operating margin	12.8 %	11.4 %	10.4 %	9.8 %
Depreciation and amortization	\$ 9,281	\$ 8,627	\$ 35,002	\$ 32,842
Key indicators:				
Merchant bankcard processing dollar value	\$ 11,070,937	\$ 10,752,475	\$ 41,703,661	\$ 42,303,880
Merchant bankcard transaction volume	120,344	129,176	455,240	511,852
Commercial Payments:				
Revenue	\$ 3,905	\$ 6,488	20,922	25,980
Operating expenses	4,390	6,264	19,999	26,871
Income (loss) from operations	<u>\$ (485)</u>	<u>\$ 224</u>	<u>\$ 923</u>	<u>\$ (891)</u>
Operating margin	(12.4)%	3.5 %	4.4 %	(3.4)%
Depreciation and amortization	\$ 75	\$ 75	\$ 306	\$ 323
Key indicators:				
Merchant bankcard processing dollar value	\$ 53,775	\$ 75,626	\$ 249,004	\$ 312,342
Merchant bankcard transaction volume	29	25	99	109
Integrated Partners:				
Revenue	\$ 1,409	\$ 4,301	\$ 15,604	\$ 15,275
Operating expenses	1,471	4,918	14,200	14,550
Income from operations	<u>\$ (62)</u>	<u>\$ (617)</u>	<u>\$ 1,404</u>	<u>\$ 725</u>
Operating margin	(4.4)%	(14.3)%	9.0 %	4.7 %
Depreciation and amortization	\$ 251	\$ 1,312	\$ 4,299	\$ 4,398
Key indicators:				
Merchant bankcard processing dollar value	\$ 11,940	\$ 126,207	\$ 364,084	\$ 386,101
Merchant bankcard transaction volume	109	467	1,316	1,380
Income from operations of reportable segments	<u>\$ 12,325</u>	<u>\$ 9,548</u>	<u>\$ 40,719</u>	<u>\$ 32,071</u>
Less: Corporate expense	(6,096)	(8,491)	(19,858)	(24,887)
Consolidated income from operations	<u>\$ 6,229</u>	<u>\$ 1,057</u>	<u>\$ 20,861</u>	<u>\$ 7,184</u>
Corporate depreciation and amortization	\$ 282	\$ 315	\$ 1,168	\$ 1,529
Key indicators:				
Merchant bankcard processing dollar value	\$ 11,136,652	\$ 10,954,308	\$ 42,316,749	\$ 43,002,323
Merchant bankcard transaction volume	120,482	129,668	456,655	513,341

PRIORITY TECHNOLOGY HOLDINGS, INC.

Results With and Without RentPayment

Unaudited

	<i>(in thousands)</i>			<i>(in thousands)</i>		
	Twelve Months Ended December 31, 2020			Twelve Months Ended December 31, 2019		
	Consolidated	RentPayment	Excl RentPayment	Consolidated	RentPayment	Excl RentPayment
Revenues	\$ 404,342	\$ 12,042	\$ 392,300	\$ 371,854	\$ 11,694	\$ 360,160
Operating Expenses:						
Costs of services	277,374	1,362	276,012	252,569	1,166	251,403
Salary and employee benefits	39,507	1,649	37,858	42,214	882	41,332
Depreciation and amortization	40,775	3,668	37,107	39,092	4,031	35,061
Selling, general and administrative	25,825	3,538	22,287	30,795	3,340	27,455
Total operating expenses	383,481	10,217	373,264	364,670	9,419	355,251
Income from operations	20,861	1,825	19,036	7,184	2,275	4,909
Depreciation and amortization	40,775	3,668	37,107	39,092	4,031	35,061
Other income, net	807	—	807	710	—	710
Net income attributable to NCIs	(250)	—	(250)	—	—	—
Non-cash stock-based compensation	2,430	—	2,430	3,652	—	3,652
Legal and professional fees	1,941	—	1,941	6,353	—	6,353
Legal settlements	(719)	100	(819)	(377)	—	(377)
Acquisition integration services	2,628	2,628	—	2,910	2,910	—
Intangible carrying value adjustment	1,753	—	1,753	—	—	—
Change in FV of contingent consideration	(360)	—	(360)	(620)	—	(620)
Write-down of note receivable	467	—	467	—	—	—
Adjusted EBITDA	\$ 70,333	\$ 8,221	\$ 62,112	\$ 58,904	\$ 9,216	\$ 49,688

PRIORITY TECHNOLOGY HOLDINGS, INC.
Results With and Without RentPayment
Unaudited

	<i>(in thousands)</i>			<i>(in thousands)</i>		
	Fourth Quarter 2020			Fourth Quarter 2019		
	Consolidated	RentPayment (1)	Excl RentPayment	Consolidated	RentPayment	Excl RentPayment
Revenues	\$ 106,091	\$ (76)	\$ 106,167	\$ 98,183	\$ 3,636	\$ 94,547
Operating Expenses:						
Costs of services	73,641	(7)	73,648	66,742	362	66,380
Salary and employee benefits	9,812	23	9,789	10,291	441	9,850
Depreciation and amortization	9,889	—	9,889	10,329	1,208	9,121
Selling, general and administrative	6,520	(113)	6,633	9,764	1,935	7,829
Total operating expenses	99,862	(97)	99,959	97,126	3,946	93,180
Income (loss) from operations	6,229	21	6,208	1,057	(310)	1,367
Depreciation and amortization	9,889	—	9,889	10,329	1,208	9,121
Other income, net	182	—	182	187	—	187
Net income attributable to NCIs	(50)	—	(50)	—	—	—
Non-cash stock-based compensation	803	—	803	298	—	298
Legal and professional fees	416	—	416	3,173	—	3,173
Legal settlements	3	—	3	34	—	34
Acquisition integration services	(119)	(119)	—	1,723	1,723	—
Intangible carrying value adjustment	773	—	773	—	—	—
Change in FV of contingent consideration	(360)	—	(360)	(620)	—	(620)
Write-down of note receivable	467	—	467	—	—	—
Adjusted EBITDA	\$ 18,233	\$ (98)	\$ 18,331	\$ 16,181	\$ 2,621	\$ 13,560

(1) RentPayment activity in the fourth quarter of 2020 relates to finalization of pre-sale operations.

Priority Technology Holdings, Inc.

Supplemental Slides for the Fourth Quarter 2020 Earnings Call

March 17, 2021



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," "outlook" or words of similar meaning. These forward-looking statements include, but are not limited to, expected timing of the closing of Priority Technology Holdings, Inc.'s ("Priority", "we", "our", or "us") merger with Finxera Holdings, Inc. ("Finxera") and our 2021 outlook and statements regarding our market and growth opportunities. 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 SEC filings, including our most recent Annual Report on Form 10-K filed with the SEC on March 30, 2020. 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.



Fourth Quarter Highlights

- **Revenue of \$106.1 million** increased 8.1% from \$98.2 million in 2019
- **Gross profit of \$32.5 million** increased 3.2% from \$31.4 million in 2019
- **Gross profit margin of 30.6%** decreased 144 basis points from 32.0% in 2019
- **Income from operations of \$6.2 million** increased 489.3% from \$1.1 million in 2019
- **Adjusted EBITDA of \$18.2 million** increased 12.7% from \$16.2 million in 2019
- **Net debt of \$372.8 million** increased \$2.4 million from \$370.4 million at end of third quarter 2020
- **Net leverage ratio of 5.85x** decreased from 6.16x at end of third quarter 2020

Revenue, Gross Profit and Adjusted EBITDA by Quarter throughout 2020



Fourth Quarter Highlights (Excluding RentPayment)

- **Revenue of \$106.2 million** increased 12.3% from \$94.5 million in 2019
- **Gross profit of \$32.5 million** increased 15.5% from \$28.2 million in 2019
- **Gross profit margin of 30.6%** increased 84 basis points from 29.8% in 2019
- **Adjusted EBITDA of \$18.3 million** increased 35.2% from \$13.6 million in 2019

Revenue, Gross Profit and Adjusted EBITDA by Quarter, excluding RentPayment, throughout 2020



Fourth Quarter 2020 and 2019 (With and Without RentPayment)

(in thousands)

	Fourth Quarter 2020			Fourth Quarter 2019		
	Consolidated	RentPayment(1)	Excl RentPayment	Consolidated	RentPayment	Excl RentPayment
Revenues	\$ 106,091	\$ (76)	\$ 106,167	\$ 98,183	\$ 3,636	\$ 94,547
Operating Expenses:						
Costs of services	73,641	(7)	73,648	66,742	362	66,380
Salary and employee benefits	9,812	23	9,789	10,291	441	9,850
Depreciation and amortization	9,889	-	9,889	10,329	1,208	9,121
Selling, general and administrative	6,520	(113)	6,633	9,764	1,935	7,829
Total operating expenses	99,862	(97)	99,959	97,126	3,946	93,180
Income (loss) from operations	\$ 6,229	\$ 21	\$ 6,208	\$ 1,057	\$ (310)	\$ 1,367
Adjusted EBITDA	\$ 18,233	\$ (98)	\$ 18,331	\$ 16,181	\$ 2,621	\$ 13,560

(1) RentPayment activity in the fourth quarter of 2020 relates to finalization of pre-sale operations.



Full Year 2020 and 2019 (With and Without RentPayment)

(in thousands)

	Twelve Months Ended December 31, 2020			Twelve Months Ended December 31, 2019		
	Consolidated	RentPayment	Excl RentPayment	Consolidated	RentPayment	Excl RentPayment
Revenues	\$ 404,342	\$ 12,042	\$ 392,300	\$ 371,854	\$ 11,694	\$ 360,160
Operating Expenses:						
Costs of services	277,374	1,362	276,012	252,569	1,166	251,403
Salary and employee benefits	39,507	1,649	37,858	42,214	882	41,332
Depreciation and amortization	40,775	3,668	37,107	39,092	4,031	35,061
Selling, general and administrative	25,825	3,538	22,287	30,795	3,340	27,455
Total operating expenses	383,481	10,217	373,264	364,670	9,419	355,251
Income from operations	\$ 20,861	\$ 1,825	\$ 19,036	\$ 7,184	\$ 2,275	\$ 4,909
Adjusted EBITDA	\$ 70,333	\$ 8,221	\$ 62,112	\$ 58,904	\$ 9,216	\$ 49,688

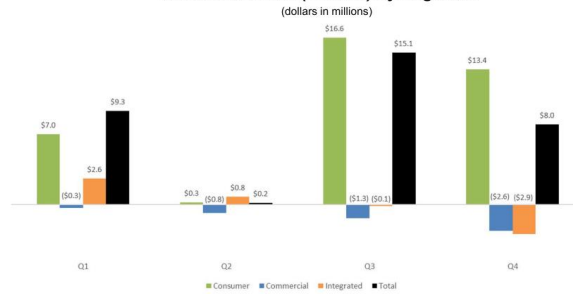


Revenue

Q4 2020 Revenue of \$106.1 million increased 8.1% from \$98.2 million in 2019

- **Consumer Payments** increased 15.3% to \$100.8 million from \$87.4 million
- **Commercial Payments** decreased 39.8% to \$3.9 million from \$6.5 million
 - **CPX** decreased 6.0% to \$1.5 million from \$1.6 million
 - **Managed Services** decreased 50.8% to \$2.4 million from \$4.9 million
- **Integrated Partners** decreased 67.2% to \$1.4 million from \$4.3 million
 - **PRET** decreased 77.3% to \$0.8 million from \$3.7 million

Revenue Growth (Decline) by Segment

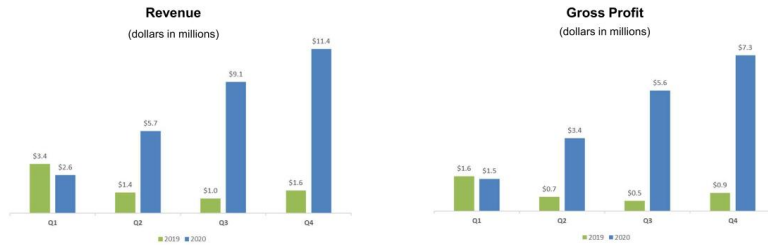


Key Growth Contributors

Specialized Merchant Acquiring was a Key Contributor to Q4 2020 Revenue Growth

- **Merchant count** ended the year at 2,537
 - **Over 1,950 net new merchants** added during 2020
- **Revenue of \$11.4 million** increased from \$1.6 million in 2019
- **Gross Profit of \$7.3 million** increased from \$0.9 million in 2019

Strong Sustained 2020 Growth Momentum in e-Commerce

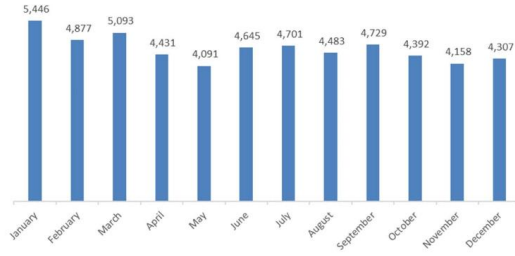


New Merchant Boards

New Merchant Boards Remained Strong Throughout 2020

- **New Merchant Boards** remain strong despite the economic impact of COVID
 - Historically, monthly new merchant boards average in the range of 4,500 - 5,000
 - First quarter averaged 5,139 in 2020 and 4,544 in 2019
 - Second quarter averaged 4,389 in 2020 and 4,467 in 2019
 - Third quarter averaged 4,638 in 2020 and 4,774 in 2019
 - Fourth quarter averaged 4,286 in 2020 and 4,389 in 2019

Monthly New Merchant Boards Throughout 2020



Merchant Bankcard Volume

Q4 2020 Merchant Bankcard volume of \$11.1 billion increased 1.7% from \$11.0 billion

	Fourth Quarter			Full Year		
	2020	2019	Variance	2020	2019	Variance
Consumer Payments:						
Merchant bankcard processing dollar value	\$ 11,070.9	\$ 10,752.5	3.0%	\$ 41,703.7	\$ 42,303.9	-1.4%
Merchant bankcard transaction volume	120.3	129.2	-6.8%	455.2	511.9	-11.1%
Average Ticket	\$ 91.99	\$ 83.24	10.5%	\$ 91.61	\$ 82.65	10.8%
Commercial Payments:						
Merchant bankcard processing dollar value	\$ 53.8	\$ 75.6	-28.9%	\$ 249.0	\$ 312.3	-20.3%
Merchant bankcard transaction volume	0.0	0.0	15.2%	0.1	0.1	-9.0%
Average Ticket	\$ 1,833.08	\$ 2,970.26	-38.3%	\$ 2,510.02	\$ 2,864.98	-12.4%
Integrated Partners:						
Merchant bankcard processing dollar value	\$ 11.9	\$ 126.2	-90.5%	\$ 364.1	\$ 386.1	-5.7%
Merchant bankcard transaction volume	0.1	0.5	-76.7%	1.3	1.4	-4.7%
Average Ticket	\$ 109.56	\$ 269.98	-59.4%	\$ 276.64	\$ 279.72	-1.1%
Total:						
Merchant bankcard processing dollar value	\$ 11,136.7	\$ 10,954.3	1.7%	\$ 42,316.7	\$ 43,002.3	-1.6%
Merchant bankcard transaction volume	120.5	129.7	-7.1%	456.7	513.3	-11.0%
Average Ticket	\$ 92.43	\$ 84.48	9.4%	\$ 92.67	\$ 83.77	10.6%

Amounts in millions, except Average Ticket



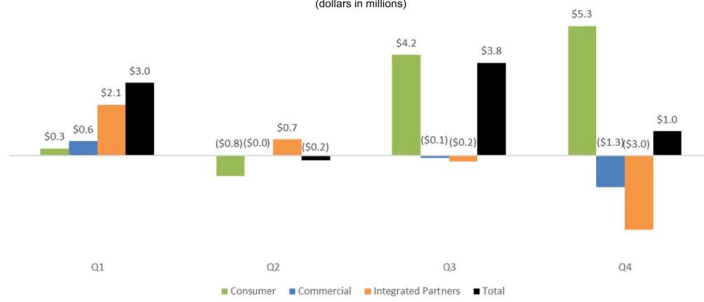
Gross Profit

Q4 2020 Gross Profit of \$32.5 million increased 3.2% from \$31.4 million in 2019

- **Consumer Payments** increased 21.8% to \$29.9 million from \$24.5 million
- **Commercial Payments** decreased 38.8% to \$2.0 million from \$3.3 million
 - **CPX** decreased 18.2% to \$1.1 million from \$1.3 million
 - **Managed Services** decreased 52.4% to \$1.0 million from \$2.0 million
- **Integrated Partners** decreased 85.0% to \$0.5 million from \$3.6 million
 - **PRET** decreased 93.9% to \$0.2 million from \$3.3 million

Gross Profit Growth (Decline) by Segment

(dollars in millions)

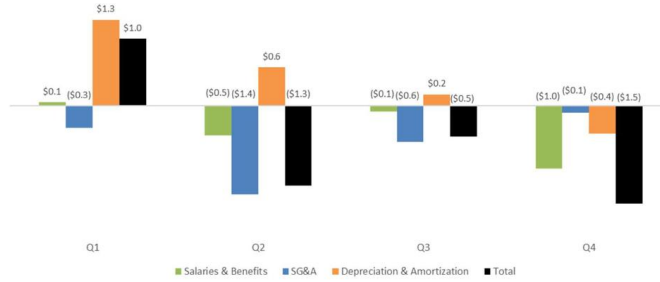


Operating Expenses

Q4 2020 Operating Expenses of \$26.2 million decreased 13.7% from \$30.4 million in 2019

- **Salaries and employee benefits of \$9.8 million** decreased 4.7% from \$10.3 million
 - Salaries and employee benefits decreased \$1.0 million excluding non-cash compensation
- **SG&A of \$6.5 million** decreased 33.2% from \$9.8 million in 2019
 - SG&A decreased \$0.1 million excluding non-recurring expenses
- **Depreciation and amortization** decreased 4.3% to \$9.9 million from \$10.3 million

Increase (Decrease) by Type
Excluding non-cash compensation and non-recurring expenses
 (dollars in millions)



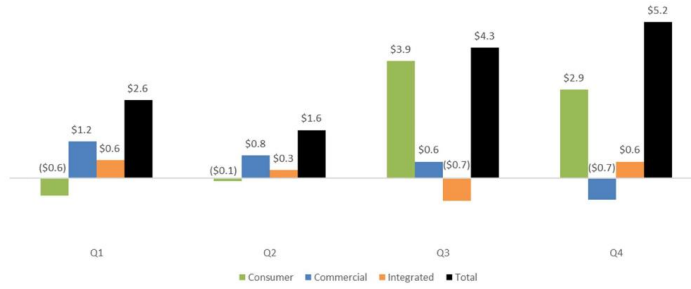
Income from Operations

Q4 2020 Income from Operations of \$6.2 million increased 489.3% from \$1.1 million in 2019

- **Consumer Payments** increased 29.5% to \$12.9 million from \$9.9 million
- **Commercial Payments** decreased \$0.7 million to a loss of \$0.5 million from \$0.2 million
- **Integrated Partners** increased \$0.6 million to a loss of \$0.1 million
 - Includes \$(0.1) million in 2020 and \$1.7 million in 2019 of non-recurring integration costs related to the Yapstone acquisition
- **Corporate** improved \$2.4 million to \$6.1 million from \$8.5 million

Increase (Decrease) in Income from Operations by Segment

(dollars in millions)



Other Income (Expense)

Components of Full Year 2020 and 2019 Other Income (Expense)

- **Interest expense of \$44.8 million** increased 10.3% from \$40.7 million in 2019
- **Debt extinguishment and modification expense of \$1.9 million** includes:
 - **\$1.5 million** of non-cash write-off of debt discount and issuance costs associated with the portion of the debt repaid in the third quarter 2020
 - **\$0.4 million** of debt amendment fees incurred in the first quarter 2020
- **Net pre-tax gain of \$62.1m** on sale of RentPayment is recorded in two line items
 - **Other income** of \$107.2 million
 - **Income attributable to non-controlling interests** of \$45.1 million
- **Other income, net of \$596k** is primarily ISO loan interest income

(in thousands)

	Fourth Quarter		Full Year	
	2020	2019	2020	2019
Other Income (Expenses):				
Interest expense	\$ (9,385)	\$ (10,051)	\$ (44,839)	\$ (40,653)
Debt extinguishment and modification costs	-	-	(1,899)	-
Gain on sale of business	-	-	107,239	-
Other income, net	182	187	596	710
	<u>\$ (9,203)</u>	<u>\$ (9,864)</u>	<u>\$ 61,097</u>	<u>\$ (39,943)</u>
Income attributable to redeemable non-controlling interests:				
NCl in gain on sale of business	\$ -	-	\$ (45,148)	-
NCl in PHOT	(50)	-	(250)	-
	<u>\$ (50)</u>	<u>\$ -</u>	<u>\$ (45,398)</u>	<u>\$ -</u>



Details of Gain on Sale of RentPayment

	(dollars in thousands)
Gross cash consideration	\$ 180,000
Working capital adjustment	<u>(584)</u>
Net proceeds	179,416
Transaction costs	(5,383)
Net book value of assets sold	(62,874)
Segment goodwill assigned to assets sold	(2,683)
Other PRET intangible assets recovered in proceeds	<u>(1,237)</u>
Gain on sale of business	107,239
Gain attributable to non-controlling interests	<u>(45,148)</u>
Net pre-tax gain	<u>\$ 62,091</u>

- Subject to a final working capital true-up with MRI and proceeds distribution true-up with non-controlling interests, when finalized



Interest Expense

Full Year 2020 Interest expense of \$44.8 million increased by \$4.2 million from \$40.7 million in 2019

(dollars in millions)	Fourth Quarter		Full Year	
	2020	2019	2020	2019
Cash Interest	\$ 6.9	\$ 8.3	\$ 33.9	\$ 33.9
PIK Interest	1.9	1.3	8.6	5.1
Amortization of OID & DIC	0.6	0.4	2.4	1.7
	<u>\$ 9.4</u>	<u>\$ 10.1</u>	<u>\$ 44.8</u>	<u>\$ 40.7</u>

- **Cash interest** includes administrative fees of \$0.4 million in 2020 and \$0.8 million in 2019

Components of Full Year Interest Expense



Cash Flow

Full Year Comparative Cash Flows – Unrestricted & Restricted Cash Activity

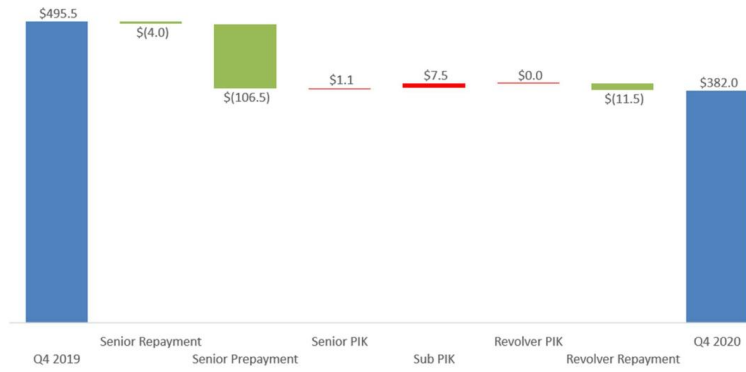
- **Investing Activities** in Full Year 2020 include:
 - **Software development** of \$7.3 million
 - **Other capital expenditures** and intangible asset acquisitions of \$5.8 million
 - **Proceeds** from business disposition of \$179.4 million
- **Financing Activities** in Full Year 2020 include:
 - **Senior debt** repayments of \$110.5 million
 - **Net Revolver** repayments of \$11.5 million
 - **Debt issuance and modification costs** of \$2.7 million
 - **Redemption** of minority interests in disposed business of \$51.1 million

	Full Year		2020		2019	
	2020	2019	Unrestricted	Restricted	Unrestricted	Restricted
(dollars in thousands)						
Net Cash Provided by Operating Activities	\$ 47,072	\$ 39,364	\$ 15,424	\$ 31,648	\$ 10,333	\$ 29,031
Net Cash (Used In) Provided By Investing Activities	166,396	(97,747)	166,396		(97,747)	
Net Cash (Used In) Provided By Financing Activities	(175,813)	75,017	(175,813)		75,017	
Net Increase (Decrease) in Cash	37,655	16,634	6,007	31,648	(12,397)	29,031
Cash at Beginning of Period	50,465	33,831	3,234	47,231	15,631	18,200
Cash at End of Period	<u>\$ 88,120</u>	<u>\$ 50,465</u>	<u>\$ 9,241</u>	<u>\$ 78,879</u>	<u>\$ 3,234</u>	<u>\$ 47,231</u>



Outstanding Debt Walk

(\$ millions)



EBITDA Walk

- **Net leverage ratio of 5.85x** at December 31, 2020 with Net Debt of \$372.8 million
- EBITDA adjustments are referenced to applicable clauses of the Senior Credit Facility Section 1.01 Definition

	<u>Loan Document</u>	<u>Actual</u>
	<u>Sect. 1.01 Clause</u>	
Net income		\$ 25,661
Interest expense	(i)(b)	44,839
Income tax expense	(i)(c)	10,899
Depreciation and amortization	(i)(d), (i)(e)	<u>40,775</u>
EBITDA		<u>122,174</u>
Gain on sale of business, net of \$45.1 million		
attributable to non-controlling interests	(i)(c)	(62,091)
Non-cash shared-based compensation	(i)(j)	2,430
PRET transition services	(i)(k)	2,628
Debt extinguishment and modification costs	(i)(f)(h)	1,899
Non-recurring legal and professional fees	(i)(k)(m)	1,941
Litigation recoveries	(i)(k)	(719)
Write-off of equity-method investment	(i)(f)	211
Non-cash asset carrying value adjustments	(i)(f)	1,753
Reversal of earn-out consideration liability	(ii)(a)	(360)
Write-down of note receivable	(i)(f)	467
Adjusted EBITDA (Performance Measure)		<u>\$ 70,333</u>
Reconciliation to Debt Compliance Adjusted EBITDA:		
Adjusted EBITDA		\$ 70,333
Allowable Board fee add-back	(i)(h)	1,500
Other adjustments	(i)(k)(q)	161
Rent Payment 2020 Adjusted EBITDA (1/1/20-9/22/20)	(r)(y)	<u>(8,221)</u>
Consolidated Adjusted EBITDA (Liquidity Measure)		<u>\$ 63,773</u>



