

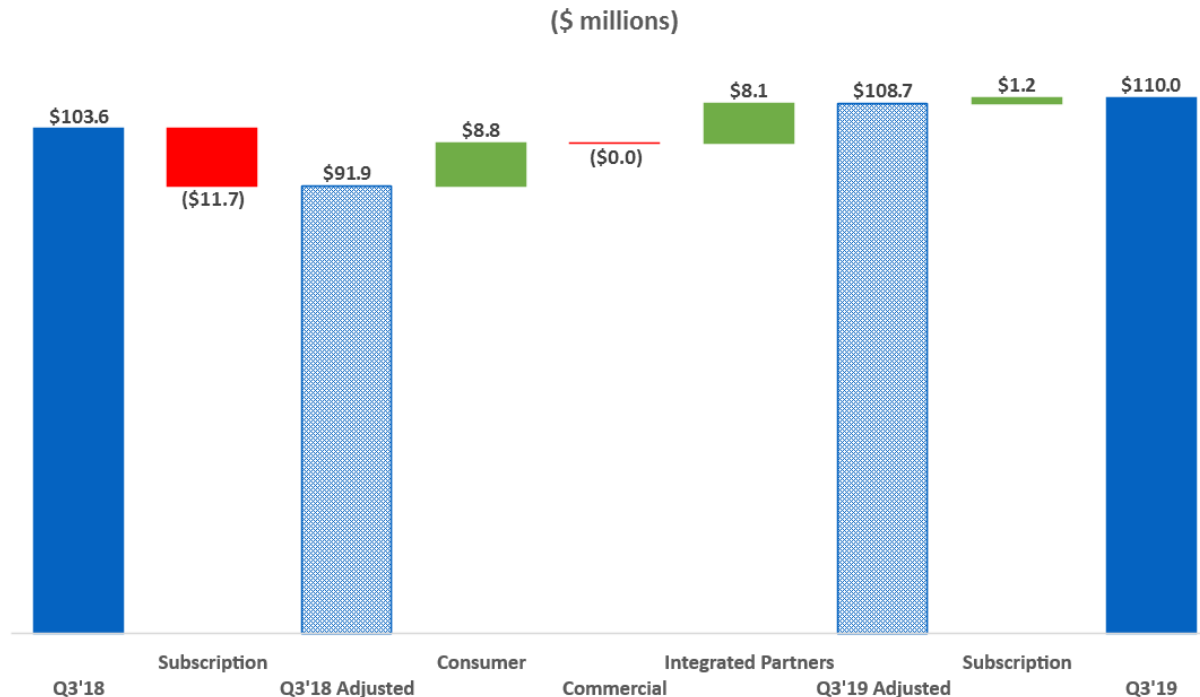
Priority Technology Holdings, Inc.

Slides Supplementing Third Quarter 2019 Earnings Call



Revenue – Q3 2019 vs. Q3 2018

- **Revenue** increased \$6.4 million, or 6.1%, to \$110.0 million
 - **Consumer Payments** declined 1.8% to \$94.1 million from \$95.8 million
 - **Commercial Payments** amounted to \$7.0 million, which was consistent with the 2018 third quarter
 - **Integrated Partners** amounted to \$8.9 million compared with \$0.8 million in the third quarter of 2018
- **Subscription-billing e-commerce revenue** declined \$10.5 million from \$11.7 million in 2018 to \$1.2 million in 2019
- **Adjusted revenue** of \$108.7 million increased \$16.9 million, or 18.4%
 - **Consumer Payments adjusted revenue** increased \$8.8 million, or 10.4%



Merchant Bankcard – Q3 2019 vs. Q3 2018

	Third Quarter		Variance	
	2019	2018	\$	%
Consumer Payments:				
Merchant bankcard processing dollar value	\$ 10,566,500.3	\$ 9,643,511.7	\$ 922,988.6	9.6%
Merchant bankcard transaction volume	131,646.2	120,878.8	10,767.5	8.9%
Average Ticket	\$ 80.3	\$ 79.8	\$ 0.5	0.6%
Commercial Payments:				
Merchant bankcard processing dollar value	\$ 92,290.4	\$ 63,360.7	\$ 28,929.7	45.7%
Merchant bankcard transaction volume	25.5	29.1	(3.7)	(12.6%)
Average Ticket	\$ 3,625.7	\$ 2,176.6	\$ 1,449.1	66.6%
Integrated Partners:				
Merchant bankcard processing dollar value	\$ 119,747.3	2,350.84	\$ 117,396.5	4993.8%
Merchant bankcard transaction volume	421.3	26.69	394.6	1478.2%
Average Ticket	\$ 284.2	88.07	\$ 196.2	222.8%
Total:				
Merchant bankcard processing dollar value	\$ 10,778,538.0	\$ 9,709,223.2	\$ 1,069,314.8	11.0%
Merchant bankcard transaction volume	132,093.0	120,934.6	11,158.4	9.2%
Average Ticket	\$ 81.6	\$ 80.3	\$ 1.3	1.6%

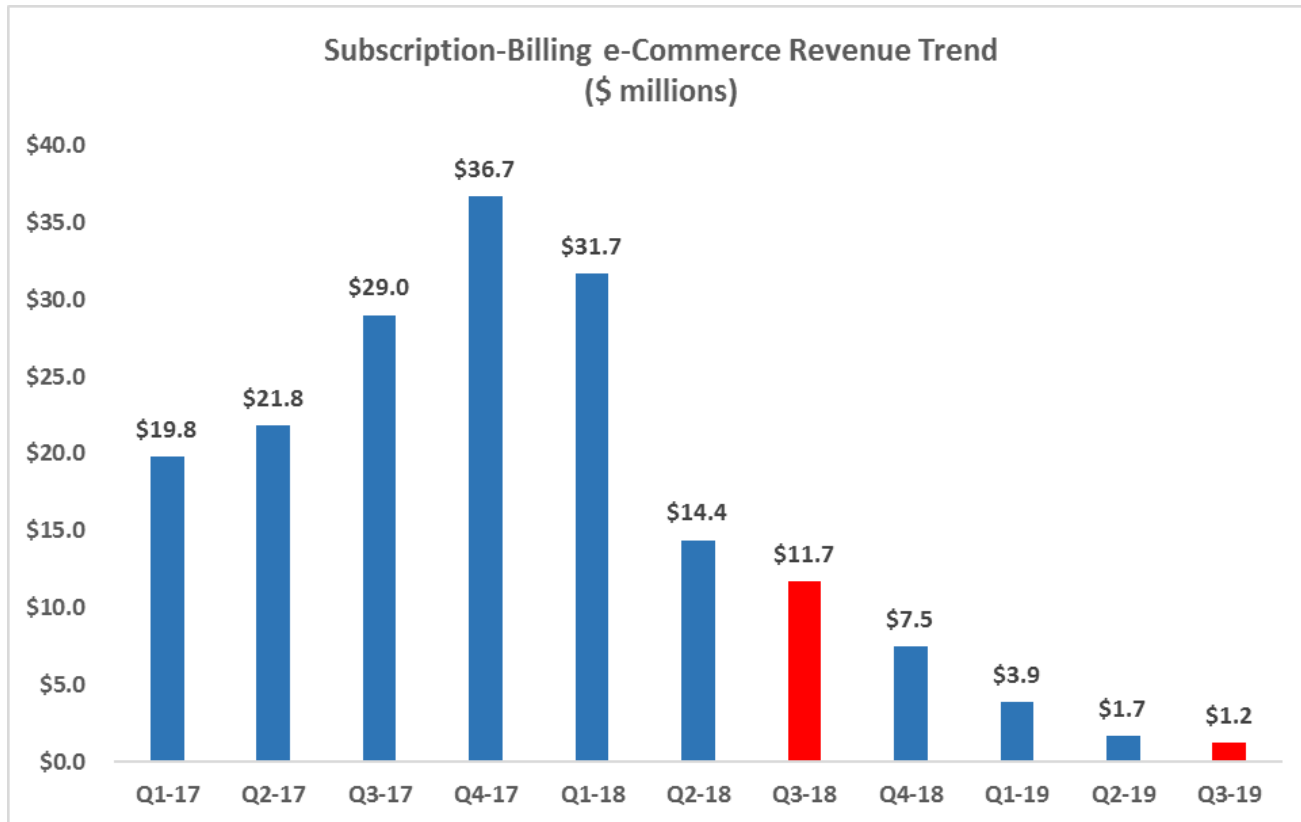
Amounts in thousands, except Average Ticket

Any differences are due to rounding



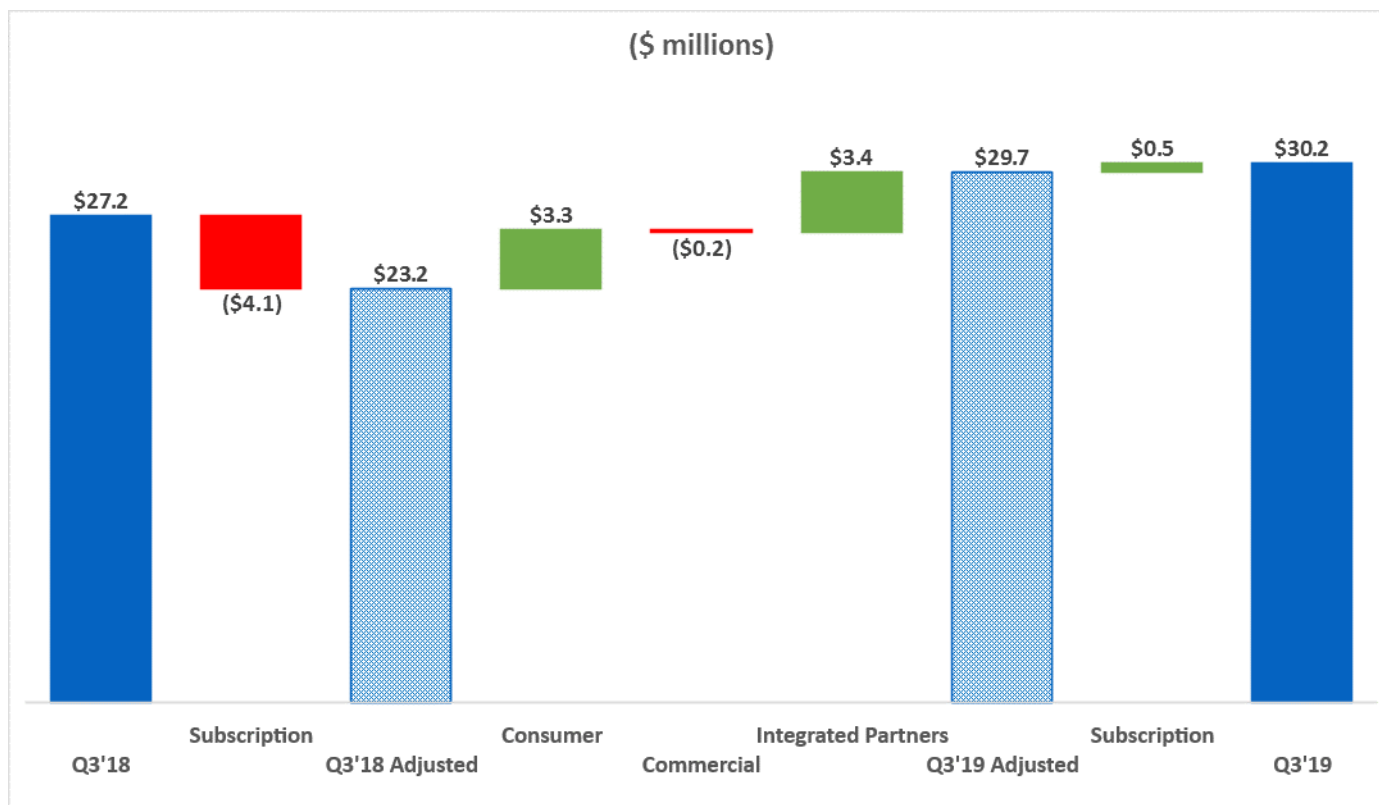
Subscription-Billing e-Commerce Revenue Trend

The comparative consolidated revenue has been negatively affected by the wind-down of high-margin accounts with certain subscription-billing e-commerce merchants due to industry-wide changes for enhanced card association compliance. This revenue was entirely within the Consumer Payments segment.



Gross Profit – Q3 2019 vs. Q3 2018

- **Gross profit** of \$30.2 million increased \$2.9 million, or 10.7%.
 - **Gross profit margin** increased 110 bps from 26.3% to 27.4%
- **Gross profit** associated with subscription-billing e-commerce merchants was \$0.5 million in the third quarter of 2019, compared with \$4.1 million in the third quarter of 2018.
- **Adjusted gross profit** increased by \$6.5 million from \$23.2 million to \$29.7 million
 - Adjusted gross profit margin** increased 210 bps from 25.2% to 27.3%

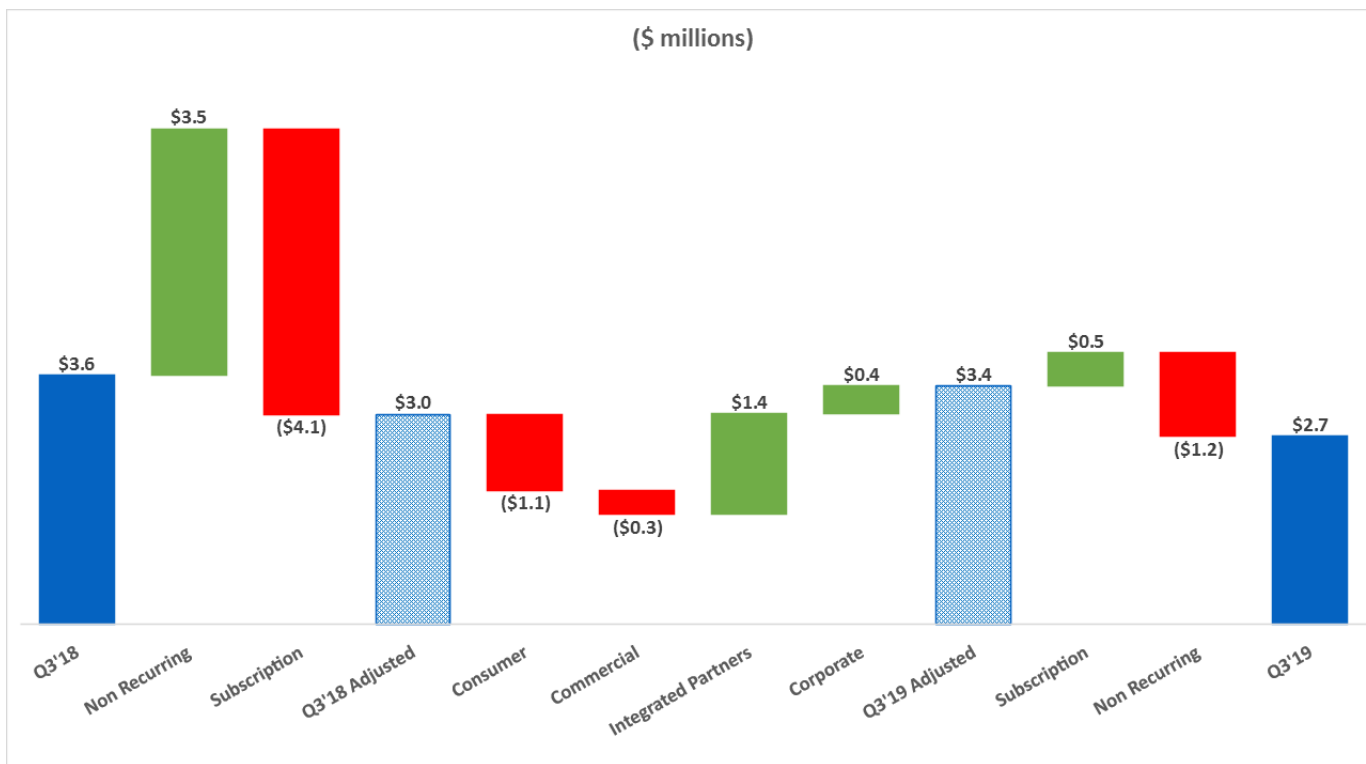


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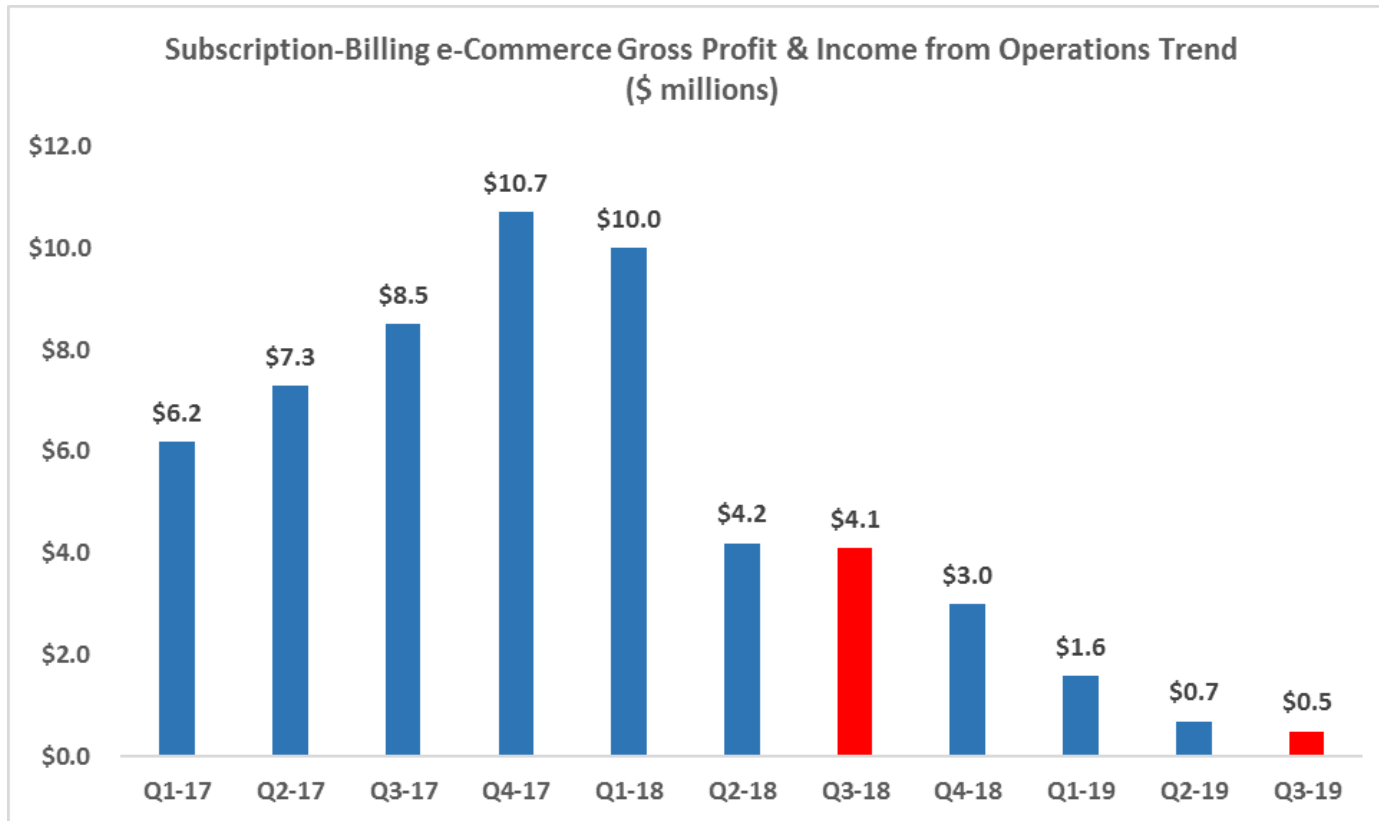
Income from Operations – Q3 2019 vs. Q3 2018

- **Income from Operations** declined \$0.9 million to \$2.7 million from \$3.6 million
 - **Consumer Payments** declined 39.3% to \$7.2 million
 - **Commercial Payments** decreased \$0.3 million to a loss of \$0.4 million
 - **Integrated Partners** increased \$1.4 million from a loss of \$0.4 million to income from operations of \$1.0 million
 - **Corporate Expense** declined 35.1% to \$5.1 million from \$7.9 million
- **Adjusted Income from Operations** increased \$0.4 million to \$3.4 million
 - **Consumer Payments** decreased 13.8% to \$6.7 million



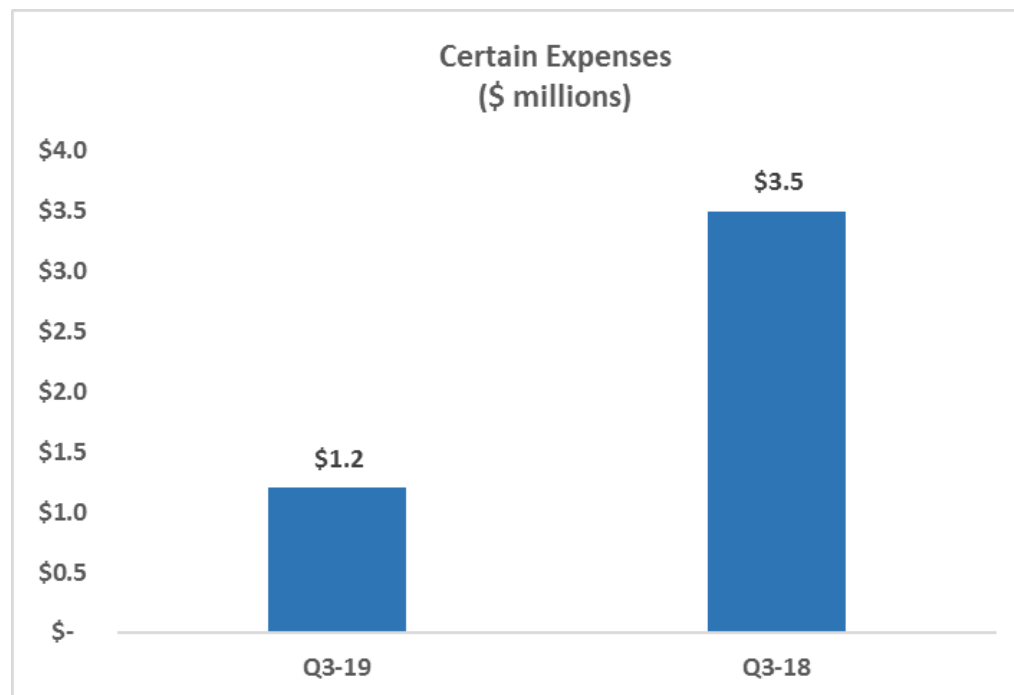
Subscription-Billing e-Commerce Gross Profit & Income from Operations Trend

The comparative consolidated gross profit and income from operations have also been negatively affected by the wind-down of high-margin accounts with certain subscription-billing e-commerce merchants. This gross profit and income from operations were entirely within the Consumer Payments segment.



Certain Expenses – Q3 2019 vs. Q3 2018

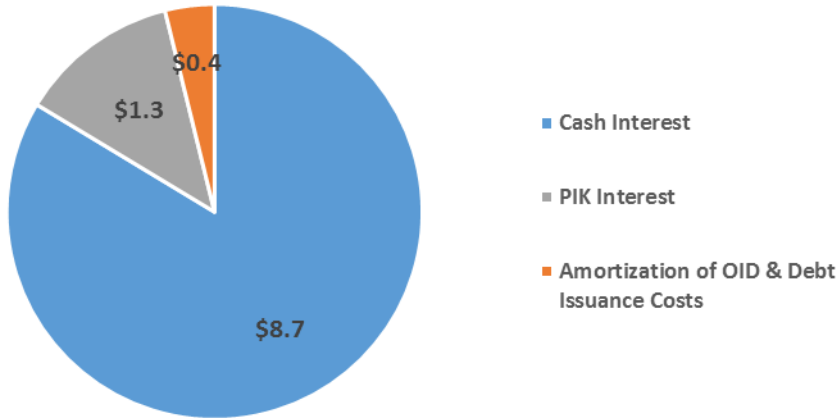
Operating expenses in both comparative quarters include certain costs that the company considers non-recurring in nature. In the third quarter of 2019, non-recurring expenses were associated with the amortization of purchase price allocated to temporary free transition services related to integration of the Yapstone transaction, certain litigation costs and professional fees. In the third quarter of 2018, non-recurring expenses, largely associated with conversion to a public company, included legal, accounting, advisory and consulting fees, as well as certain litigation costs. These expenses totaled \$1.2 million and \$3.5 million in the third quarters of 2019 and 2018, respectively.



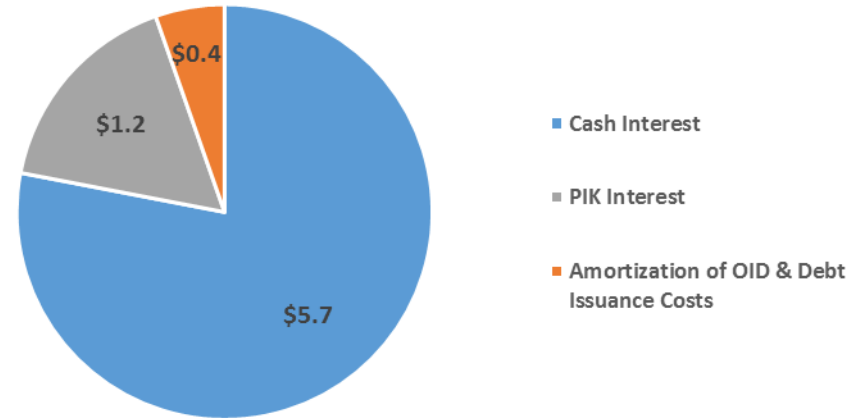
Interest Expense – Q3 2019 vs. Q3 2018

Interest expense of \$10.5 million in the third quarter of 2019 increased by \$3.1 million from \$7.3 million in the 2018 third quarter. The increase is due to higher outstanding borrowings driven by debt financing of acquisitions subsequent to the third quarter of 2018.

Q3 2019
(\$ millions)



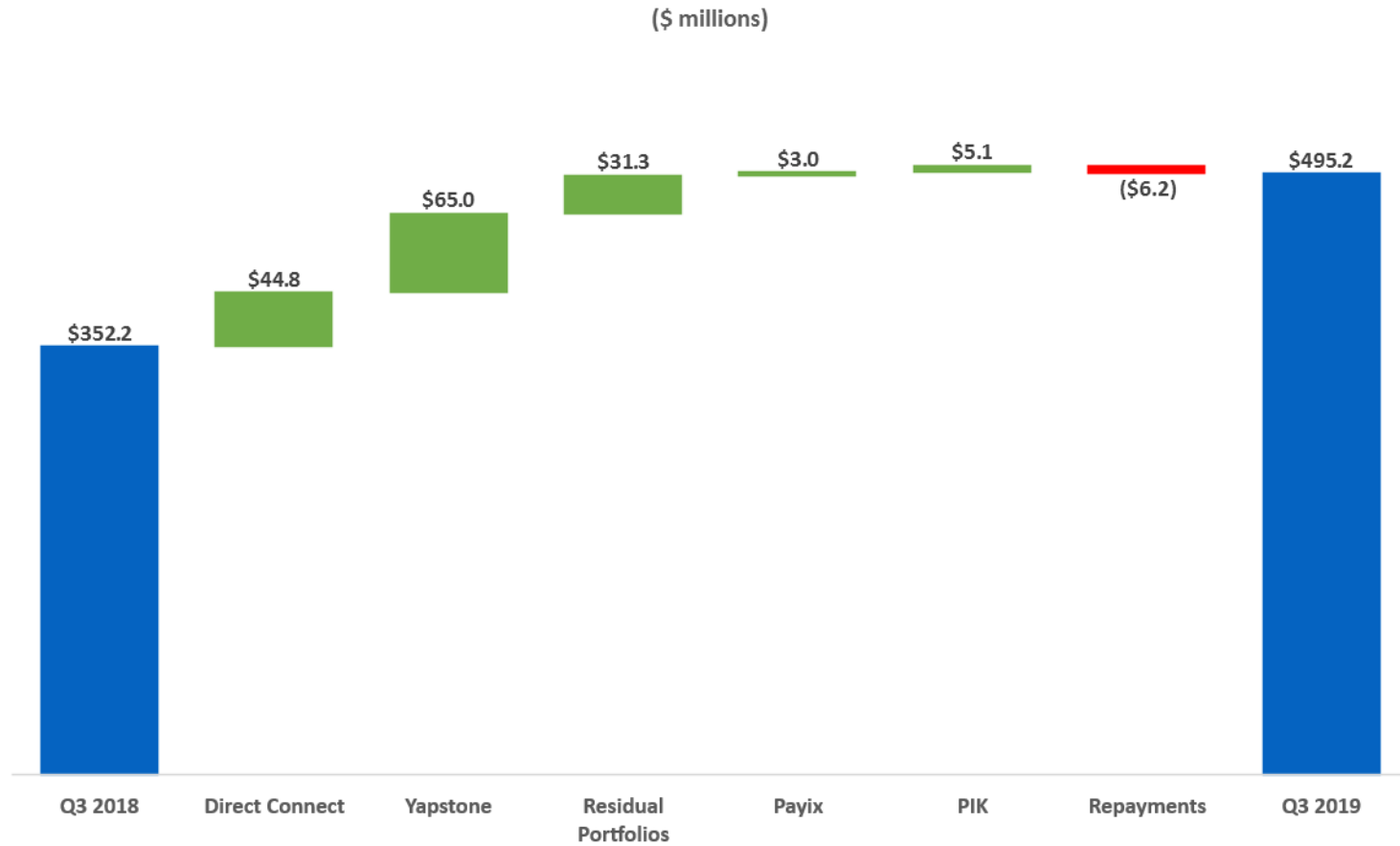
Q3 2018
(\$ millions)



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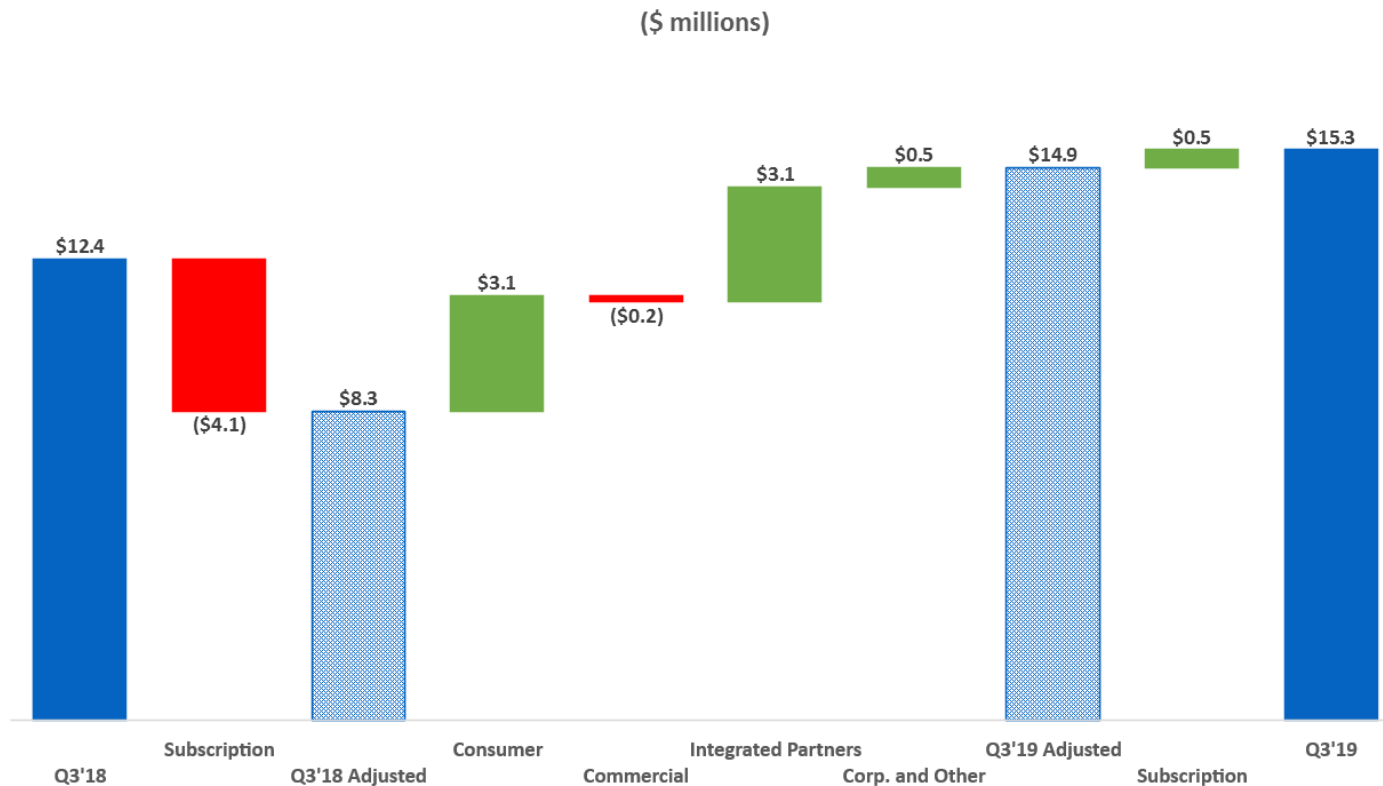


Outstanding Debt



Adjusted EBITDA – Q3 2019 vs. Q3 2018

- **Adjusted EBITDA** of \$15.3 million increased \$2.9 million from \$12.4 million in 2018
- Excluding the impact of subscription-billing e-commerce merchants, **adjusted EBITDA** of \$14.9 million increased \$6.5 million from \$8.3 million in 2018



Income Tax Expense

	2019	
	Third Quarter	Year to Date
Income Tax Benefit at Statutory Rates	\$ (1,666.8)	\$ (5,376.0)
<i>Deferred Tax Asset Valuation Allowance:</i>		
2019 Limitation Adjustment	(69.2)	5,206.3
2018 Discrete Limitation Adjustment	-	2,637.7
Income Tax (Benefit) Provision	\$ (1,736.0)	\$ 2,468.0
Total Valuation Allowance		\$ 8,686.0

