

Priority Technology Holdings, Inc.

Slides Supplementing First Quarter 2020 Earnings Call



Merchant Bankcard – Q1 2020 vs. Q1 2019

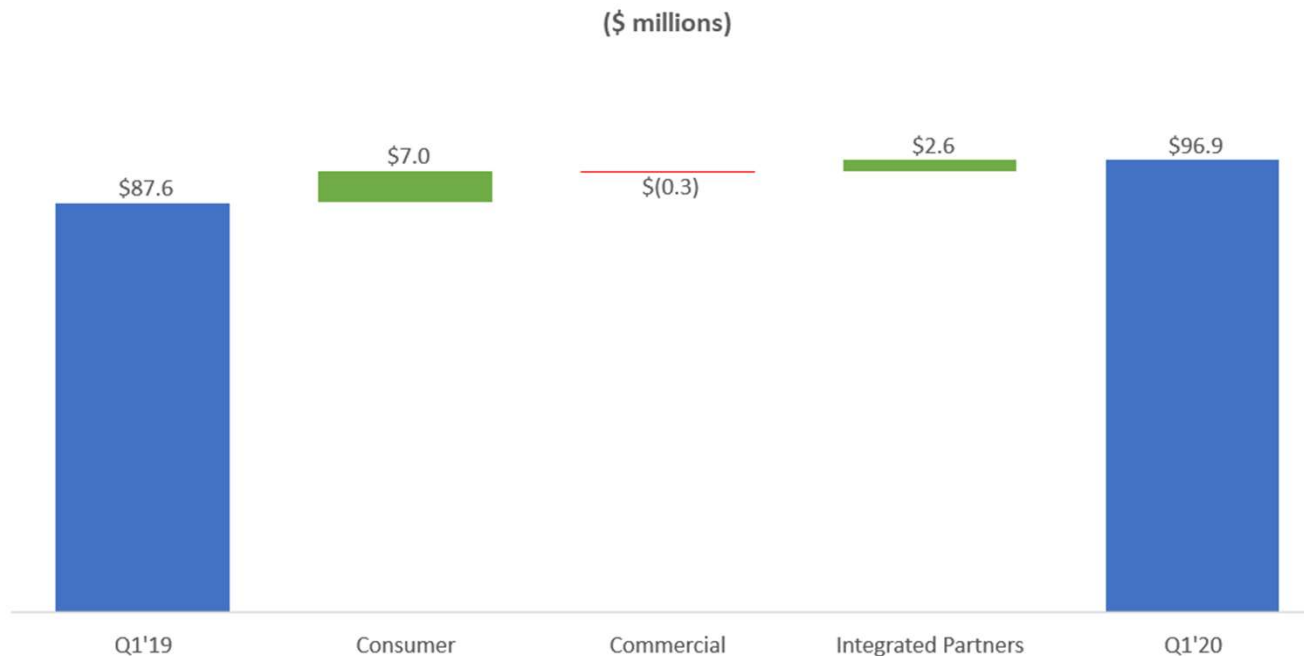
	First Quarter		Variance	
	2020	2019	\$	%
Consumer Payments:				
Merchant bankcard processing dollar value	\$ 10,386,748	\$ 10,210,755	\$ 175,992	1.7%
Merchant bankcard transaction volume	119,431	120,884	(1,453)	(1.2%)
Average Ticket	\$ 86.97	\$ 84.47	\$ 2.50	3.0%
Commercial Payments:				
Merchant bankcard processing dollar value	\$ 72,677	\$ 69,897	\$ 2,780	4.0%
Merchant bankcard transaction volume	25	30	(5)	(15.9%)
Average Ticket	\$ 2,919.13	\$ 2,362.43	\$ 556.69	23.6%
Integrated Partners:				
Merchant bankcard processing dollar value	\$ 124,518	\$ 33,985	\$ 90,533	266.4%
Merchant bankcard transaction volume	448	128	320	249.1%
Average Ticket	\$ 277.80	\$ 264.72	\$ 13.09	4.9%
Total:				
Merchant bankcard processing dollar value	\$ 10,583,943	\$ 10,314,637	\$ 269,306	2.6%
Merchant bankcard transaction volume	119,904	121,042	(1,138)	(0.9%)
Average Ticket	\$ 88.27	\$ 85.22	\$ 3.05	3.6%

Amounts in thousands, except Average Ticket



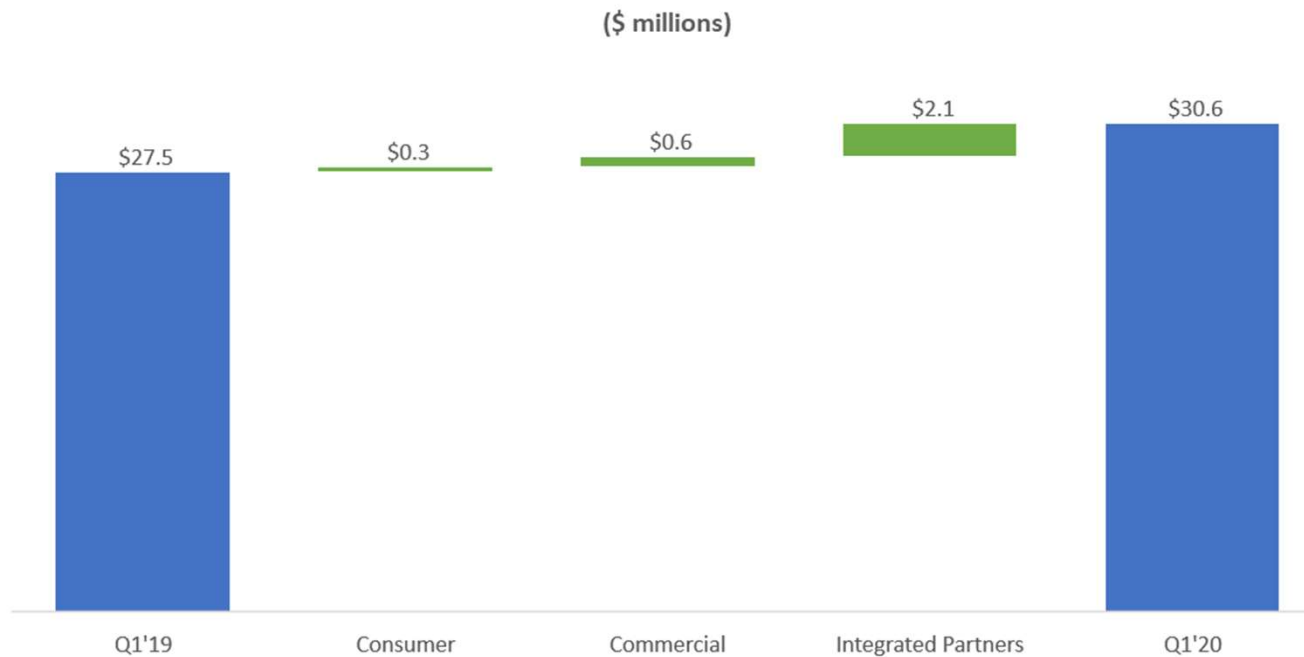
Revenue – Q1 2020 vs. Q1 2019

- **Revenue** of \$96.9 million increased 10.6% from \$87.6 million
 - **Consumer Payments** increased 8.9% to \$86.0 million from \$79.0 million
 - **Commercial Payments** decreased 4.4% to \$6.4 million from \$6.7 million
 - **CPX** revenue of \$1.6 million increased 31.4%
 - **Managed Services** revenue of \$4.8 million decreased 12.3%
 - **Integrated Partners** increased 129.1% to \$4.5 million from \$2.0 million
 - **PRET** revenue of \$4.0 million increased 154.3%
 - **Payright** increased 14.0%
 - **Hospitality** increased 254.0%



Gross Profit – Q1 2020 vs. Q1 2019

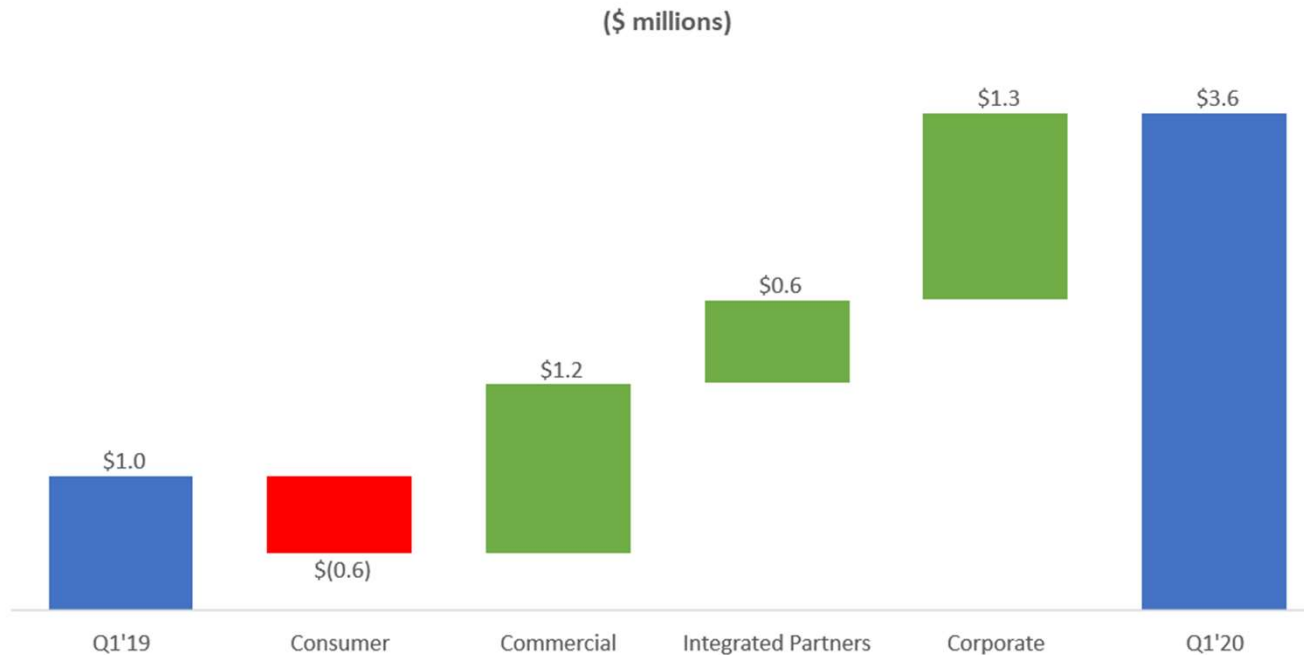
- **Gross profit** of \$30.6 million increased \$3.0 million, or 11.0%.
 - **Consumer Payments** increased 1.4% to \$23.3 million from \$23.0 million
 - **Commercial Payments** increased 20.4% to \$3.5 million from \$2.9 million
 - **CPX** increased 35.8% to \$1.3 million from \$0.9 million
 - **Managed Services** increased 12.9% to \$2.2 million from \$1.9 million
 - **Integrated Partners** increased 127.2% to \$3.8 million from \$1.7 million
 - **PRET** increased 151.5% to \$3.5 million from \$1.4 million



Any differences are due to rounding

Income from Operations – Q1 2020 vs. Q1 2019

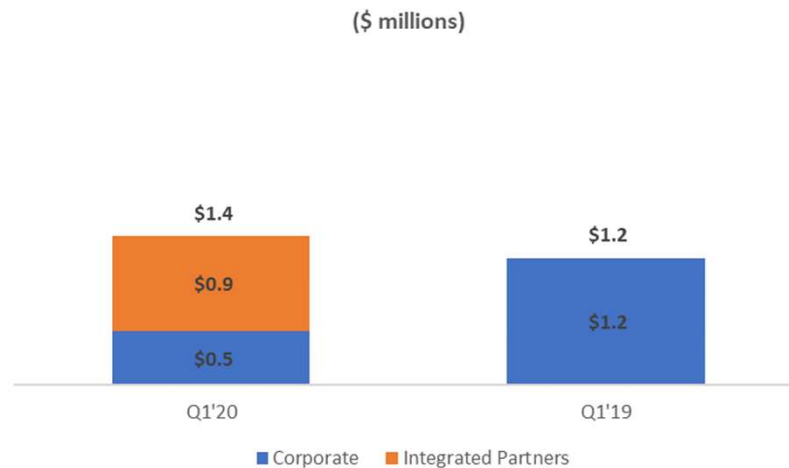
- **Income from Operations** increased \$2.6 million to \$3.6 million from \$1.0 million
 - **Consumer Payments** declined \$0.57 million to \$7.15 million from \$7.72 million
 - Depreciation and amortization increased \$0.8 million
 - **Commercial Payments** increased \$1.2 million to \$0.8 million
 - **CPX** improved by \$0.6 million to a loss of \$(0.4) million
 - **Managed Services** increased \$0.6 million to \$1.2 million
 - **Integrated Partners** increased \$0.6 million to \$0.4 million
 - **Corporate Expense** declined \$1.3 million to \$4.7 million



Any differences are due to rounding

Non-Recurring Expenses in Q1

Selling, general and administrative expenses included certain operating expenses that the Company considers non-recurring in nature. These expenses totaled **\$1.4 million and \$1.2 million in the first quarters of 2020 and 2019, respectively**. In 2020, these expenses included \$0.9 million associated with transition services from YapStone, Inc. related to integration of the March 2019 asset acquisition, and \$0.5 million of certain legal services. In 2019, these expenses included \$0.7 million for accounting services associated with the conversion to a public company, and \$0.5 million of certain legal services.



Other income (expense), net in the **first quarter of 2020 included \$0.6 million** of non-recurring expenses. These expenses were \$0.4 million of debt modification expenses and a \$0.2 million non-cash write-off of the carrying value of an equity-method investment.



Adjusted EBITDA

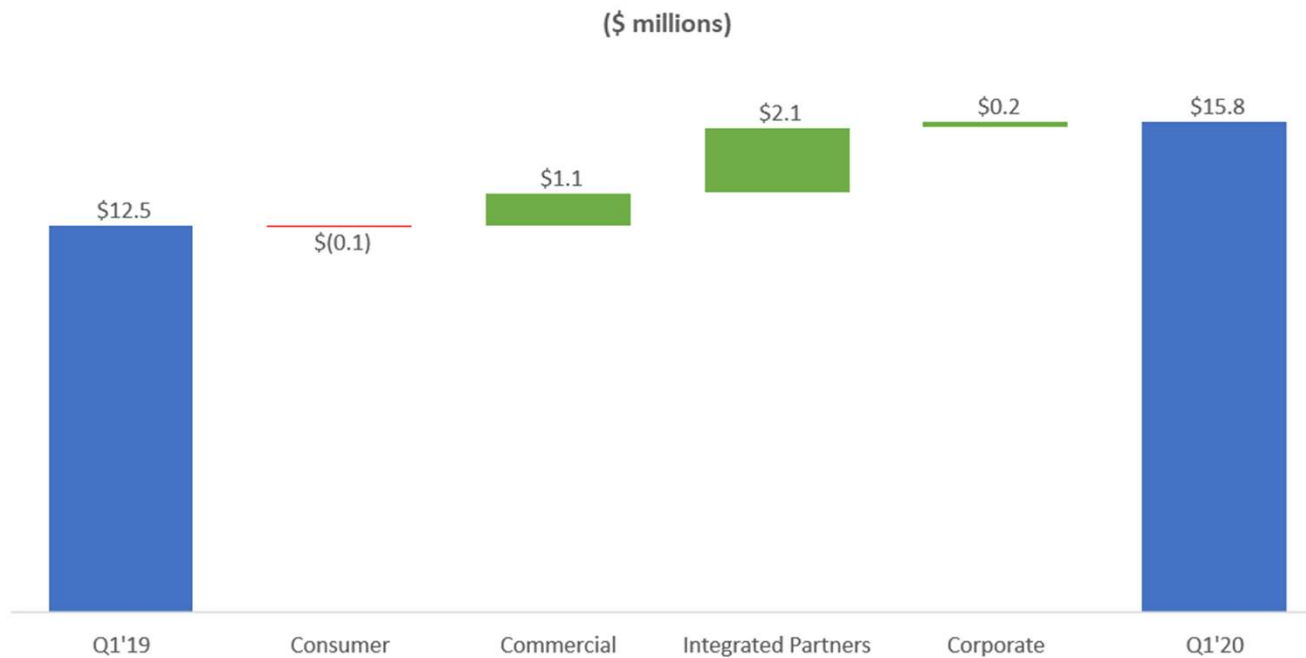
Adjusted EBITDA of \$15.8 million increased \$3.3 million from \$12.5 million in 2019

	(millions)
Net loss	(\$5.9)
Interest expense	10.3
Depreciation and amortization	10.3
Income tax benefit	(1.2)
EBITDA	13.5
Non-cash stock-based compensation	0.3
Non-recurring SG&A expenses	1.4
Non-recurring Other income (loss), net	0.6
Adjusted EBITDA	15.8
Other fees	0.4
Consolidated Adjusted EBITDA	\$16.2
Annualized Consolidated Adjusted EBITDA	\$64.7



Adjusted EBITDA – Q1 2020 vs. Q1 2019

Adjusted EBITDA of \$15.8 million increased \$3.3 million from \$12.5 million in 2019



Other income (expense), net

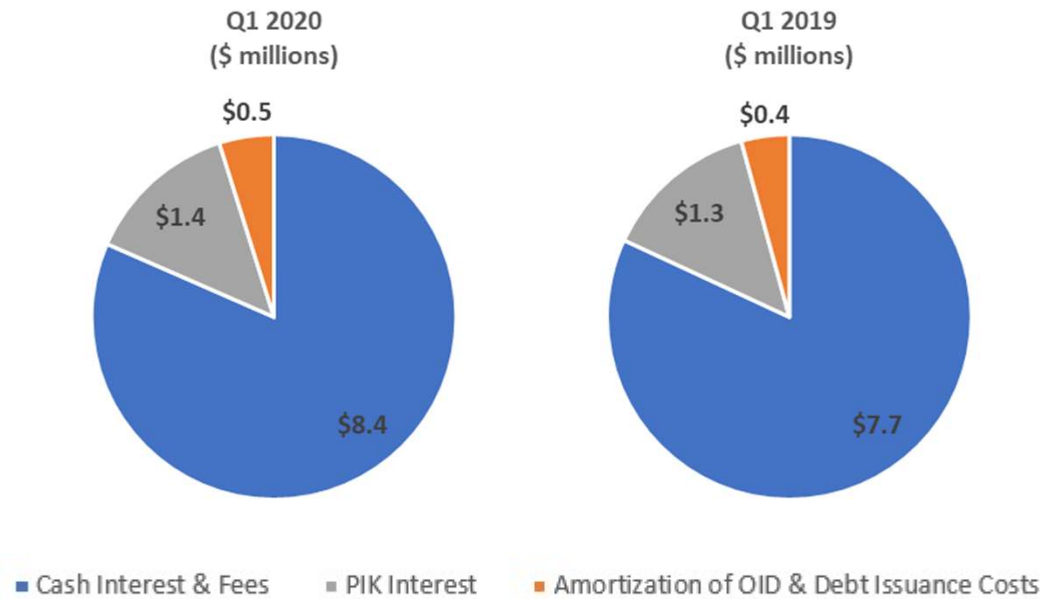
(thousands)

Debt modification expenses	\$ (376.0)	\$ -
Loss in equity investments	(210.6)	(5.8)
Interest Income	240.9	87.7
Other	<u>(0.2)</u>	<u>145.0</u>
	<u>\$ (345.9)</u>	<u>\$ 226.9</u>



Interest Expense – Q1 2020 vs. Q1 2019

Interest expense of \$10.3 million in the first quarter of 2020 increased by \$0.9 million from \$9.4 million in the 2019 first quarter.



Any differences are due to rounding

Liquidity and Debt Covenant Compliance

- **At March 31, 2020:**
 - **Total Debt** of \$499.4 million; **Unrestricted cash** of \$2.9 million
 - **Net leverage** ratio of 7.67:1.00

	(millions)
Debt Outstanding:	
Senior	\$387.84
Subordinated	96.53
Revolver	15.00
	<hr/>
	499.37
Unrestricted Cash	<hr/>
	2.86
Total Net Debt	<hr/> \$496.51 <hr/>
Annualized Consolidated Adjusted EBITDA	<hr/> \$64.70 <hr/>
Total Net Leverage Ratio	<hr/> 7.67:1.00 <hr/>
Required Total Net Leverage Ratio	<hr/> 8.00:1.00 <hr/>

- **On April 3, 2020**, \$2.5 million of revolver was repaid
- **Currently** \$12.5 million outstanding on \$25.0 million credit facility

