

NewtekOne®

NASDAQ:NEWT

NewtekOne, Inc. Closes Offering of \$75.0 Million of 8.625% Fixed Rate Senior Notes Due 2029

September 16, 2024

BOCA RATON, Fla., Sept. 16, 2024 (GLOBE NEWSWIRE) -- [NewtekOne, Inc.](#) (NASDAQ: NEWT) announced today that it has closed a registered public offering (the "Offering") of \$75.0 million aggregate principal amount of its 8.625% Fixed Rate Senior Notes due 2029 (the "Notes"). The Notes will mature on October 15, 2029, and may be redeemed by the Company, in whole or in part, at any time on or after October 15, 2026, at a redemption price equal to 100% of the outstanding principal amount to be redeemed plus accrued and unpaid interest. The Notes will bear interest at a rate of 8.625% per year payable quarterly on each January 15, April 15, July 15 and October 15, commencing on January 15, 2025.

The Notes are expected to be listed on the Nasdaq Global Market® under the trading symbol "NEWTH," within thirty days. The Company intends to use the proceeds from the sale of the Notes for funding of investments, repayment of existing debt and general corporate purposes. Morgan Stanley & Co. LLC acted as lead book-running manager along with Keefe, Bruyette & Woods, Inc., Raymond James & Associates, Inc, and UBS Securities LLC. as joint book-running managers for the Offering.

Barry Sloane, President, Chairman and CEO commented, "We are very pleased to have worked with Morgan Stanley as lead book-running manager on this Offering. The underwriting group also was bolstered by the efforts of UBS, Keefe Bruyette & Woods, and Raymond James. We are extremely appreciative of the relationship that we have with these underwriters and their distribution systems. The proceeds of the Offering will be used for general working capital purposes, repayment of existing debt and funding of investments, including, importantly, the continued funding of our extremely profitable alternative loan program business, which is financed at our holding company. We therefore anticipate that this long-term capital will support our goals of generating higher rates of return and high returns on average assets, as well as returns on tangible common equity. We are excited about our upcoming third quarter 2024 earnings release in early November as we have recently confirmed our 2024 annual earnings per share guidance of \$1.85 to \$2.05 per basic and diluted common share."

Barry Sloane continued, "One important use of our corporate liquidity will be to retire securitization debt as our outstanding securitizations of unguaranteed portions of SBA 7(a) loans reach their clean up calls. We anticipate that in the near term, we will be able to retire approximately \$22 million of securitization debt and free up cash flow and liquidity. For example, the 2018-1 and 2019-1 SBA 7(a) securitizations contain approximately \$68 million of accruing loans as of August 31, 2024, and approximately \$15 million of non-accruing loans at fair value, which are in liquidation. It is important to note that in the month of August, the 2018-1 and 2019-1 securitization note holders received approximately \$3 million of principal and interest payments. Once we call these securitization notes, the cash flows from these loans can flow through to the Company. In addition, as the non-accrual loans are liquidated (as they are currently marked at \$15 million of fair value) over approximately a 6–24-month period of time, those cash flows can also accrue to the benefit of the Company. We are excited to make announcements like this to continue to demonstrate the over two-decade long capability of our management team and our ability to generate above-market rates of return managing our technology enabled business and financial solutions organization."

About NewtekOne, Inc.

[NewtekOne®](#), Your Business Solutions Company®, is a financial holding company, which along with its bank and non-bank consolidated subsidiaries (collectively, "NewtekOne"), provides a wide range of business and financial solutions under the Newtek® brand to independent business owners. Since 1999, NewtekOne has provided state-of-the-art, cost-efficient products and services and efficient business strategies to independent business owners across all 50 states to help them grow their sales, control their expenses and reduce their risk.

NewtekOne's and its subsidiaries' business and financial solutions include: banking (Newtek Bank, N.A.), [Business Lending](#), [SBA Lending Solutions](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting\)](#), [eCommerce](#), [Accounts Receivable Financing & Inventory Financing](#), [Insurance Solutions](#), [Web Services](#), and [Payroll and Benefits Solutions](#).

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Note Regarding Forward-Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the rules and regulations of the Private Securities Litigation and Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences and are subject to change, possibly materially. See "Note Regarding Forward-Looking Statements" and the sections entitled "Risk Factors" in the NewtekOne's filings with the Securities and Exchange Commission which are available on NewtekOne's website (<https://investor.newtekbusinessservices.com/sec-filings>) and on the Securities and Exchange Commission's website (www.sec.gov). Any forward-looking statements made by or on behalf of NewtekOne speak only as to the date they are made, and NewtekOne does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

SOURCE: NewtekOne, Inc.

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