March 13, 2020

Fellow Shareholders,

On behalf of our Board of Directors and management, I am pleased to share this annual report for Elah Holdings, Inc.'s ("Elah," the "Company," "we" or "us") fiscal year 2019.

Highlights

- Elah has approximately $13 million in cash, an increase of over $5.5 million from the prior year
- Elah is reporting over $1 billion in Federal NOLs, an increase of approximately $140 million from the prior year
- Elah expects to receive $2.1 million in a cash refund after filing our 2019 federal income tax return, which will largely cover our expected standard operating costs for 2020
- Elah continues to maintain a lean structure and low-cost operating environment

Financial Results

During the year, Elah generated over $5.5 million in cash as our federal tax refunds associated with AMT credits that were collected after our 2017 and 2018 taxes were filed, plus $2.4 million in cash proceeds from the monetization of a residual mortgage backed equity security ("RMBES") held by our legacy operations, considerably exceeded our operating expenses for the year. As noted in the Highlights above, management expects to receive another $2.1 million in tax refunds from similar AMT credits later this year after filing Elah's 2019 tax return. With respect to the RMBES cash collection, in November, the securitization's servicer elected to exercise its early call option, and it purchased 100% of the underlying mortgages and residential real estate properties. The entire $2.4 million we collected from the securitization waterfall payoff was recognized as income and recorded in Discontinued Operations, which reduced our net loss to under $200 thousand for the year. Our legacy operations own two additional RMBES assets in active securitizations, which are carried at zero value on our balance sheet as management does not have an ability to reasonably predict when, if any, cash will be received from them due to the uncertainty of the underlying value and payment performance of the mortgage assets in the securitization and the waterfall structure that requires payments on senior securities before any cash flow is paid on the RMBES. Management will look to monetize these RMBES as conditions warrant, and any future cash collections will be recognized as income upon receipt.

In addition to our acquisition activity (discussed further below), management was also focused on improving the value of Elah's other assets over the past twelve months – most notably, the Company's Net Operating Loss deferred tax assets ("NOLs"). Management and our tax consultants analyzed and completed technical research into the Section 363 sale of the Real Alloy business and abandonment of the Real Alloy equity in May 2018 and determined that the Company was entitled to take a worthless stock deduction in 2018 and further that it may claim the $140 million in losses associated with that Real Alloy equity as operating losses rather than capital losses, as was reported last year.

Deal Activity

With the assistance of our Board, management evaluated more than fifty potential transactions last year, spending considerable time on around two dozen. Of these, we participated in some traditional auction processes, but more typically, we are exploring a wide range of situations requiring a more creative solution for the business owners. We have found that the Elah "story" and our ability to provide customized transaction structures are compelling to a number and variety of business owners, and we have engaged or are engaging in discussions with several situations that could prove to be successful. Frequently, however, these business owners are evaluating multiple potential strategic alternatives, and have not yet made a decision to sell, so our process to demonstrate the value of partnering with Elah can take time and ultimately a business owner may determine not to transact at all.

We are continuing to look for that one good partner to create sustainable value for our shareholders. We will not stop sharing our story nor adding to our pipeline until we complete our mission. Below is a short list of the situations we find most intriguing:

- Professional service businesses with contractual revenue streams;
- Multi-generational family businesses seeking diversification of wealth, strategic estate planning, and a desire to continue to hold a significant interest in their company(ies);
- Strong performing businesses with a diverse ownership group who have different investment holding periods or investment objectives; and
- U.S.-centric businesses owned by foreign corporations or investors that want to be publicly traded on a national U.S. exchange (which we believe Elah's clean deregistration and PCAOB standard audits can facilitate on an expedited and lower cost basis than alternative paths).

While we are industry agnostic, we are mindful of the value of our public structure and liquidity, so we gravitate toward situations where we believe Elah's stock will trade well over a long time period.

Thank you for time, investment and support. Our management team is appreciative of the opportunity to unlock the value of Elah.

Regards,

Kyle Ross

Chief Executive Officer

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We are including this cautionary statement to make applicable the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These audited annual financial statements, Disclosure Statement and accompanying Letter from our CEO contain forward-looking statements, as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are subject to risks and uncertainties and are based on our current expectations, estimates, and projections about the businesses and prospects of the Company ("we" or "us"), as well as the beliefs and certain assumptions made by management. All statements other than statements about historical or current facts, including, without limitation, statements about our business strategy, plans, and objectives of management and our future prospects, are forward-looking statements. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "should," "will" and variations of these words are intended to identify forward-looking statements. Such statements speak only as of the date hereof and are subject to change. We undertake no obligation to revise or update publicly any forward-looking statements for any reason, unless otherwise required by law. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Accordingly, actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors.

Forward-looking statements discuss, among other matters: our financial and operational results, as well as our expectations for future financial trends and performance of our business in future periods; our operating and transactional strategy; risks and uncertainties associated with our business, our strategy and the impact of our concluded reorganization under Chapter 11 of Title 11 of the United States Code ("Chapter 11"); the adequacy of our capital resources and financing capability; adjustments to the categorization of activities during or as a result of our Chapter 11 proceedings; the ability of the Company to preserve and utilize the net operating loss tax carryforwards (NOLs) following the Chapter 11 proceedings and future transactions; the Company's ability to execute on its strategic plan to evaluate and close potential M&A opportunities; our long-term outlook; our preparation for future market conditions; and any statements or assumptions underlying any of the foregoing. Important factors that may cause such differences include, but are not limited to, changes in our cash needs as compared to our historical operations; adverse litigation; the impact of recent U.S. tax legislation and any other changes in U.S. or non-U.S. tax laws bearing on our operations or the value of our NOLs; our ability to successfully identify, acquire and integrate companies and businesses that perform and meet expectations after completion of such acquisitions; our ability to achieve and maintain future profitability; our ability to control operating costs and other expenses; that general economic conditions may be worse than expected; that competition may increase significantly; changes in laws or government regulations or policies affecting our current business operations and/or our legacy businesses, as well as those risks and uncertainties disclosed in the document entitled "Risks Factors relating to Elah Holdings, Inc." available under the "Corporate Documents" section of the Company's website at http://www.elahholdings.com/Corporate-Documents/default.aspx. These Risk Factors are incorporated into this Disclosure Statement by reference.

EXPLANATORY NOTE

On May 9, 2018, the Company emerged from its Chapter 11 Proceedings pursuant to its Plan of Reorganization. A description of the corporate actions effectuated under and concurrent with the Plan, as well as copies of the Company's revised corporate documents and confirmed Plan, are included in the Company's Current Report on Form 8-K filed with the SEC on May 9, 2018, available here:

https://www.sec.gov/Archives/edgar/data/38984/000155837018004521/0001558370-18-004521-index.htm.

Concurrent with the effective date of the Plan, the Company qualified to "go dark" from periodic reporting under the Securities Exchange Act of 1934, and filed a Form 15 to deregister its common stock from reporting with the SEC.

Information on the Chapter 11 proceedings is available here: https://cases.primeclerk.com/realindustry.

IMPORTANT NOTE REGARDING THESE FINANCIAL STATEMENTS

These consolidated annual financial statements for the fiscal years ended December 31, 2019 and 2018 ("Financial Statements") have been prepared in accordance with United States generally accepted accounting principles ("GAAP") for year-end financial information. The Company determined that despite the Chapter 11 reorganization, fresh start accounting was not applicable to the Company's financial statements on a go-forward basis. However, given the facts and circumstances of the Chapter 11 proceedings, management determined that its Real Alloy business should be deconsolidated effective January 1, 2018. Presentation of the Financial Statements thus differs significantly from the presentation of the Real Industry/Real Alloy business as of December 31, 2017, as reported in the Form 10-K filed by the Company with the SEC on April 5, 2018 (the "2017 Form 10-K"). Management urges caution in comparing the Financial Statements to the 2017 Form 10-K, or any prior financial statements of Real Industry.

Disclosure Statement and Audited Annual Report for the Twelve Months Ended December 31, 2019

ELAH HOLDINGS, INC.

CORPORATE INFORMATION

State of Incorporation: Delaware

Employer Identification Number: 46-3783818

Address of Principal Executive Office: 8214 Westchester Drive, Suite 950, Dallas, Texas 75225

Mailing Address: 1934 Old Gallows Road, Suite 350, #T09301, Tysons Corner, Virginia 22182

Telephone: (805) 435-1255

Website: www.elahholdings.com

Investor Relations: ir@elahholdings.com

Stockholder Inquiries: stock@elahholdings.com

Prior Corporate Names: Real Industry, Inc. (June 1, 2015 – May 9, 2018); Signature Group Holdings, Inc. (June 11, 2010 to June 1, 2015)

STOCK INFORMATION

Security: Common Stock, $0.001 Par Value

CUSIP: 28413L 105

Trading Symbol: ELLH

Trading Market: OTC Pink Open Market

Authorized Stock as of March 10, 2020: 2,500,000 Capital Shares (2,450,000 Common; 50,000 Preferred)

Issued & Outstanding Stock as of March 10, 2020: 739,096 Common Shares; 0 Preferred Shares

Number of shares in Public Float: 290,017 (This public float number excludes from the public float total an aggregate 59,785 shares of common stock held by beneficial owners of greater than 5%, but less than 10%, of the Company's total shares outstanding, which shares are subject to contractual and Certificate of Incorporation transfer restrictions. Without this adjustment, based solely on shareholdings of officers, directors and beneficial owners of 10% or more of the Company's Common Stock, the public float is 349,802.)

Total number of shareholders of record: 250 (incl. known DTC participant accounts) as of March 10, 2020.

Restrictions on Transfers of Stock: (A) The Company's Certificate of Incorporation prohibits, without approval by the Company's Board of Directors: (i) acquisitions above 4.9% of the outstanding common stock and (ii) for a period of five years from May 9, 2018, transfers of stock by holders of 4.9% or more of the outstanding common stock; and (B) the Company's Amended and Restated Rights Agreement, dated May 9, 2018, limits acquisitions of 5.0% or more of the outstanding common stock.

TRANSFER AGENT INFORMATION

Transfer Agent: Computershare Investor Services

Telephone: (800) 522-6645

Standard Mail: P.O. Box 43078, Providence, RI 02940-3078

Overnight: 250 Royall Street, Canton, MA 02021

Website: www-us.computershare.com/Investor

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

AUDITOR INFORMATION

Independent Auditor: Squar Milner LLP

Telephone: (310) 826-4474

Website: www.squarmilner.com

Mail: 11150 Santa Monica Blvd., Suite 600
Los Angeles, CA 90025

CORPORATE INFORMATION

Corporate History: Signature Group Holdings, Inc., a Nevada corporation ("Signature Nevada"), was originally incorporated as Fremont General Corporation ("Fremont") in 1972. On June 11, 2010, Fremont completed a nearly two-year plan of reorganization process and emerged from Chapter 11 bankruptcy proceedings as a public, Nevada corporation, renamed Signature Group Holdings, Inc. ("Signature Nevada").

On January 2, 2014, Signature Nevada completed a holding company reorganization and reincorporation from Nevada to Delaware to take advantage of the benefits of Delaware corporate law and to provide a better organizational structure for future acquisitions and the management of existing operations. To accomplish this, in late 2013, Signature Nevada formed SGH Holdco, Inc., a Delaware corporation, and its subsidiary, SGGH, LLC. In the reincorporation, following the approval of the Company's stockholders, Signature Nevada merged with and into SGGH, LLC, with Signature Nevada ceasing to exist and SGGH, LLC continuing as the surviving entity and as a wholly owned subsidiary of the newly created parent holding company, SGH Holdco, Inc., which concurrent with the merger, was renamed Signature Group Holdings, Inc., a Delaware corporation ("Signature Delaware" or "Signature"). In the reincorporation, each outstanding share of common stock of Signature Nevada was automatically converted into one share of common stock of Signature Delaware. Signature Delaware was renamed "Real Industry, Inc." on June 1, 2015.

As described in the following item, Real Industry emerged from a Chapter 11 bankruptcy reorganization on May 9, 2018, pursuant to which its name was changed to "Elah Holdings, Inc." The Company is currently an active Delaware corporation.

Prior Bankruptcy within Prior 5 Years: On November 17, 2017 (the "Petition Date"), the Company (then named Real Industry, Inc.) commenced a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), along with the Company's prior subsidiary U.S. entities comprising its Real Alloy aluminum recycling business. The Chapter 11 cases were jointly administered and procedurally consolidated in the Bankruptcy Court under the case of Real Industry, Case No. 17-12464 (KJC), and the caption "In re: Real Industry, Inc., *et al.*" Following the Petition Date, until the May 9, 2018 effective date (the "Effective Date") of the Company's Plan of Reorganization (the "RI Plan"), Real Industry operated as a debtor-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court through the consummation of the RI Plan.

SECURITIES INFORMATION

Changes in Stock; Securities Issuances: No changes in outstanding or authorized common stock from December 31, 2018. An aggregate 7,400 options to purchase shares of Common Stock were issued to Company executive officers on January 24, 2019 and remain outstanding at March 10, 2020.

Anticipated or Last Twelve Months' Stock Splits, Dividends, Recapitalizations, Mergers, Acquisitions, Spin-Offs or Reorganizations: As part of the Company's Chapter 11 Plan of Reorganization, on the May 9, 2018 Effective Date, (A) the Company issued an aggregate 49% of the common stock to investors sponsoring the RI Plan, and 31% to the holder of the Company's prior outstanding shares of Series B redeemable preferred stock. The common stockholders of the Company prior to May 9, 2018 represented 20% of the go-forward common stock, with ELLH shares issued to such shareholders at a rate of 1-for-200 effective reverse stock split (rounded up from 0.51 shares, no fractional shares issued). Restricted stock outstanding at the time of the Effective Date of the RI Plan which vested by its terms on a time basis was accelerated in full as of the Effective Date (so long as any holder cash paid any applicable withholding taxes); all other restricted stock and securities (including performance-vesting restricted stock, options, warrants and other securities) were cancelled.

Trading and SEC Registration Updates following Chapter 11 Reorganization: On May 9, 2018, the Company qualified to "go dark" from periodic reporting with the SEC as a result of the changes to the common stock in the RI Plan (discussed below) and as the Company and our stock met the SEC's requirements for voluntary deregistration of our common stock under the Securities Exchange Act of 1934 with the SEC. Our stock resumed trading on the Over-the-Counter Pink Sheets following the Effective Date in late June 2018, where it continues to trade currently.

* * *

Appendix A: Audited Financial Statements for the Years Ended December 31, 2019 and 2018

Appendix B: Information on Board of Directors, Management and Securities Ownership

APPENDIX A

AUDITED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

* * *

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Elah Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Elah Holdings, Inc. formerly known as Real Industry, Inc. and its subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit as of and for the year ended December 31, 2019, in accordance with standards of the Public Company Accounting Oversight Board (United States). We conducted our audit as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2018.

/s/ SQUAR MILNER LLP

Los Angeles, California

March 13, 2020

ELAH HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

($ in millions, except per share and par value amounts)	December 31, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13.0	$ 7.1
Income tax receivable	2.1	5.6
Prepaid expenses and other current assets	0.2	0.3
Current assets of discontinued operations	0.2	0.5
Total current assets	15.5	13.5
Deferred tax asset, net	2.1	4.3
Other noncurrent assets	0.5	0.6
TOTAL ASSETS	$ 18.1	$ 18.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	$ 0.2	$ 0.2
Accrued liabilities	0.5	0.7
Total current liabilities	0.7	0.9
TOTAL LIABILITIES	$ 0.7	$ 0.9
Stockholders' equity:		
Preferred stock, Series A Junior Participating; $ 0.001 par value; 50,000 shares authorized; none issued or outstanding	-	-
Common Stock, $0.001 par value; at December 31, 2019 and December 31, 2018, 2,450,000 shares authorized, 739,096 shares issued and outstanding	-	-
Additional paid-in capital	36.7	36.6
Accumulated deficit	(19.3)	(19.1)
TOTAL STOCKHOLDERS' EQUITY	17.4	17.5
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 18.1	$ 18.4

The accompanying notes are an integral part of these consolidated financial statements.

ELAH HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

($ in millions, except per share amounts)	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018
Revenues	$ 0.1	$ 0.1
Selling, general and administrative expenses	(2.3)	(3.7)
Other operating expense, net	(0.3)	(1.1)
Operating loss	(2.5)	(4.7)
Nonoperating income (expense):		
Interest expense, net	-	(0.6)
Reorganization items, net	-	11.4
Total nonoperating income, net	-	10.8
(Loss) Earnings from continuing operations before income taxes	(2.5)	6.1
Income tax expense (benefit)	-	-
(Loss) Income from continuing operations	(2.5)	6.1
Earnings from discontinued operations, net of income taxes	2.3	67.5
Net (Loss) Earnings	$ (0.2)	$ 73.6
(LOSS) EARNINGS PER SHARE:		
Net (loss) earnings available to common stockholders	$ (0.2)	$ 73.6
Basic and diluted (loss) earnings per share:		
Continuing operations	$ (3.31)	$ 11.51
Discontinued operations	3.08	127.28
Basic and diluted (loss) earnings per share	$ (0.23)	$ 138.79

The accompanying notes are an integral part of these consolidated financial statements.

ELAH HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

(In millions, except shares)	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
Balance, December 31, 2017	—	$ —	29,721,934	$ —	$ 542.3	$ (627.9)	$ 4.5	$ 0.2	$ (80.9)
Net earnings	—	—	—	—	—	73.6	—	—	73.6
Impact of RI Plan Equity Treatment	—	—	(28,982,838)	—	(506.6)	535.2	(4.5)	(0.2)	23.9
Share-based compensation expense	—	—	—	—	0.9	—	—	—	0.9
Balance, December 31, 2018	—	$ —	739,096	$ —	$ 36.6	$ (19.1)	$ —	$ —	$ 17.5
Net (loss)	—	—	—	—	—	(0.2)	—	—	(0.2)
Share-based compensation expense	—	—	—	—	0.1	—	—	—	0.1
Balance, December 31, 2019	—	$ —	739,096	$ —	$ 36.7	$ (19.3)	$ —	$ —	$ 17.4

The accompanying notes are an integral part of these consolidated financial statements.

ELAH HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Twelve Months Ended December 31, 2019	Twelve Months Ended December 31, 2018
Cash flows from operating activities:		
Net (loss) earnings	$ (0.2)	$ 73.6
operating activities:		
Earnings from discontinued operations excluding gain on deconsolidation	(2.3)	(0.3)
Change in deferred income taxes and tax receivables	5.6	0.2
Share-based compensation expense	0.1	0.9
Noncash Reorganization items, net	-	(17.4)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	0.3	1.1
Trade payables	-	0.1
Accrued liabilities	(0.1)	(3.1)
Gain on deconsolidation	-	(67.3)
Net cash impact of discontinued operations (excluding gain on deconsolidation)	2.5	(0.2)
Net cash provided by (used in) operating activities	5.9	(12.4)
Cash flows from financing activities:		
Proceeds from issuance of RELY DIP Facility, net of debt issuance costs	-	5.3
Repayments on RELY DIP Facility	-	(5.3)
Proceeds from issurance of common stock	-	17.5
Net cash provided by financing activities	-	17.5
Increase in cash and cash equivalents	5.9	5.1
Cash and cash equivalents, beginning of period	7.1	2.0
Cash and cash equivalents, end of period	$ 13.0	$ 7.1

The accompanying notes are an integral part of these consolidated financial statements.

ELAH HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—BUSINESS AND OPERATIONS

Elah Holdings, Inc. ("Elah Holdings"), formerly known as Real Industry, Inc. ("Real Industry"; Elah Holdings and Real Industry in these financial statements, the "Company"), is a Delaware holding company that is continuing to execute the longstanding business strategy of Real Industry (and previously Signature Group Holdings, Inc.) of seeking to acquire profitable businesses in the commercial and industrial markets, supporting the performance of such acquisitions post-closing and managing legacy assets. We have historically operated through subsidiaries.

A key element to our business strategy is utilizing our considerable United States ("U.S.") federal net operating tax loss carryforwards ("NOLs"). Our federal NOLs were predominantly generated by legacy businesses, and as of December 31, 2019, total $1.0 billion, which begin to expire if not used before our 2027 tax year. The ultimate realization of our deferred tax assets, including our federal NOLs, depends on our ability to generate future U.S. federal taxable income through the implementation of our business plan.

On May 9, 2018 (the "Emergence Date"), Real Industry completed a Plan of Reorganization ("RI Plan") in the RELY Chapter 11 Case (defined below) centered around a $17.5 million injection of new equity capital into our business in exchange for 49% of our new common stock. Under the terms of the RI Plan, which was approved by our stockholders and the Bankruptcy Court (defined below), we paid or settled all claims and debts in full, we compromised more than $30 million in preferred equity and accrued dividends in exchange for $2 million and 31% of our new shares of common stock, we accelerated all time-vested restricted stock and we cancelled all other derivative securities of the Company, we cancelled all common stock and reissued new shares of common stock to all stockholders on the basis of an effective 1-for-200 reverse stock split, we appointed an entirely new board of directors, and we changed our name to Elah Holdings. As a result of the changes to the common stock in the RI Plan, we qualified to "go dark" from periodic reporting with the U.S. Securities and Exchange Commission ("SEC") as of the Emergence Date, as we and our stock met the SEC's requirements of voluntary deregistration of our common stock under the Securities Exchange Act of 1934 with the SEC. Our stock resumed trading on the Over-the-Counter Pink Sheets following the Emergence Date in late June 2018. Following the commencement of our voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on November 17, 2017 (the "Petition Date"), Real Industry operated as a debtor-in-possession under the jurisdiction of the Bankruptcy Court and in accordance with applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court through the consummation of the RI Plan.

From February 2015 through the Petition Date, our primary operating subsidiary was Real Alloy Holding, Inc. (doing business as "Real Alloy"), a global leader in aluminum recycling. Real Alloy, its direct parent company Real Alloy Intermediate Holding, LLC ("RAIH"), and six wholly owned domestic subsidiaries (Real Alloy, RAIH and such subsidiaries, the "Real Alloy Debtors") also filed a voluntary petition for relief under the Bankruptcy Code on November 17, 2017, which cases were consolidated with the Bankruptcy Court (the Real Industry Chapter 11 case only, the "RELY Chapter 11 Case," the Real Alloy Debtors' Chapter 11 case only, the "RA Chapter 11 Case," and together, the "Chapter 11 Cases" or the "Bankruptcy Proceedings"). Real Alloy was sold under Section 363 of the Bankruptcy Code (such sale, the "Section 363 Sale") on May 31, 2018. Elah Holdings received no value upon closing the Section 363 Sale and forfeited our equity in our direct subsidiary in RAIH, and thus, our indirect ownership of Real Alloy and its subsidiaries. We have no ongoing economic interest in the Real Alloy business operations, and management determined that Real Alloy's financial results should be deconsolidated from Real Industry/Elah Holdings effective as of January 1, 2018 (see Note 2—*Presentation, Summary of Significant Accounting Policies and Recent Accounting Standards Updates*). For additional information on the Chapter 11 Cases see Note 9—*Bankruptcy Proceedings and Reorganization*.

NOTE 2—PRESENTATION, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING STANDARDS UPDATES

Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), and comprise the accounts of Elah Holdings, Inc. and its wholly owned and majority owned subsidiaries. As a result of rounding, some of the financial tables included in this financial report may not foot. The Company has evaluated subsequent events through the date of issuance of this financial report. Certain amounts previously reported in the financial statements have been reclassified to conform to the current year presentation. Such reclassifications do not affect net (loss) earnings, stockholders' equity or cash flow.

As a result of the facts and circumstances surrounding the separate paths taken by Real Industry, on the one hand, and the Real Alloy Debtors, on the other, in the Bankruptcy Proceedings, including their separate debtor-in-possession facilities, the developments in the Section 363 Sale process, and an equity commitment to support the RI Plan whereby Real Industry would reorganize without any ongoing interest in Real Alloy, management of Real Industry no longer had a viable option to reorganize with Real Alloy and management concluded that it no longer had an ability to influence control over the activities of Real Alloy, and that it was appropriate to deconsolidate Real Alloy effective as of January 1, 2018. Accordingly, all activity related to Real Alloy for the period ending December 31, 2018, which solely relates to the gain on deconsolidation, is reported in Earnings from Discontinued Operations, net of income taxes in the Consolidated Statement of Operations. See discussions of *Discontinued Operations* and *Reorganizations* in Accounting Policies below as well as Note 9—*Bankruptcy Proceedings and Reorganization* for more information.

Discontinued operations

U.S. GAAP requires the results of operations of a component of an entity that either has been disposed of or is classified as held for sale to be reported as discontinued operations in the consolidated financial statements if the sale or disposition represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results.

While the activity related to Real Alloy is included in the year ending December 31, 2018, as the deconsolidation was determined to occur on January 1, 2018, all assets and liabilities related to Real Alloy were removed from the balance sheet at such date. Accordingly, at December 31, 2018 and 2019, discontinued operations include only Elah's subsidiary SGGH, which includes the legacy activity of Fremont General Corporation ("Fremont") and its former subsidiaries. See Note 3—*Discontinued Operations* for additional information about Real Alloy and other discontinued operations.

Reorganization

We have applied Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 852, in preparing the consolidated financial statements. ASC 852 requires that the financial statements, for periods subsequent to the Chapter 11 filing, distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, professional fees and other expenses incurred in the Chapter 11 Cases of both Real Industry and Real Alloy (in prior periods), were recorded as reorganization items, net in the consolidated statements of operations. For such amounts related to the Real Alloy Debtors, they were recorded as part of discontinued operations in prior periods. As the RI Plan included the deregistration of Real Industry's common stock from reporting with the SEC under the Securities Exchange Act of 1934, as amended, and the settlement and cancellation of Real Industry's Series B Preferred Stock (the "Redeemable Preferred Stock") and common stock warrants ("Warrants"), capitalized costs associated with Real Industry's shelf registration statement were written off to reorganization costs, net and the gain (Redeemable Preferred Stock) and expense (Warrants) on settlement of certain interests was included in reorganization items, net for the year ended December 31, 2018. Costs associated with defending and settling the appeal of the RI Plan were also included in reorganization items, net for the year ended December 31, 2018.

Notwithstanding the RELY Chapter 11 Case, the Company's reorganization value under the RI Plan exceeded its liabilities as of the Emergence Date, so no adjustments were made to asset or liability values as the Company did not meet the criteria for fresh start accounting under ASC 852.

Going concern accounting

ASC 205-40, *Presentation of Financial Statements – Going Concern*, requires that we perform an evaluation as to whether there is substantial doubt about our ability to continue as a going concern within one year after the date the financial statements for the year ended December 31, 2019 are issued. As the Company has no debt as of December 31, 2019 and sufficient cash and expected tax refund receivables to operate its business for at least the next twelve months, we determined that there is not substantial doubt regarding our ability to continue as a going concern. Accordingly, the accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates continuity of operations, realization of assets and the satisfaction of liabilities in the normal course of business for the twelve month period following the date of these consolidated financial statements. As such, the accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of assets and their carrying amounts, or the amount and classification of liabilities that may result should the Company be unable to continue as a going concern.

Basis of consolidation

The Company evaluates its relationship with other entities for consolidation and to identify whether such entities are variable interest entities ("VIE") and to assess whether the Company is the primary beneficiary of such entities. As of December 31, 2019 and December 31, 2018, the Company did not have any VIEs. All intercompany transactions have been eliminated in consolidation.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit at financial institutions and other short-term liquid investments. Cash and cash equivalents are stated at cost, which approximates fair value due to their short-term maturities and market interest rates. All highly liquid investment instruments with maturities of three months or less are classified as cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents. The Company maintains its cash in checking accounts at federally insured financial institutions in excess of federally insured limits.

Use of estimates

Management has made a number of estimates and assumptions relating to the Company's assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in accordance with U.S. GAAP. Significant areas requiring the use of management estimates relate primarily to the valuation of litigation reserves and the valuation of deferred income taxes. Actual results could differ from those estimates.

Business combinations

Business combinations are accounted for using the acquisition method where the purchase price paid is allocated to the assets acquired and liabilities assumed, and noncontrolling interest, if applicable, based on their estimated fair values. Any excess purchase price over the fair value of the net assets acquired is recorded as goodwill. Although the Company completed no business combinations in the periods covering these financial statements, this policy is still in effect in light of the Company's business strategy.

Fair value measurements

In accordance with ASC 820, Fair Value Measurement, the Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1—Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3—Inputs that are both significant to the fair value measurement and unobservable.

We endeavor to utilize the best available information in measuring fair value. Where appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads, and credit considerations. Such adjustments are generally based on available market evidence and unobservable inputs. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As of December 31, 2019 and 2018, there were no assets or liabilities carried at fair value on a recurring or non-recurring basis. As of December 31, 2019 and December 31, 2018, cash and cash equivalents, accounts receivable and pre-paid expenses were the only financial assets reported by the Company in continuing operations and there were no financial liabilities. The carrying amounts reported in the consolidated balance sheets for these financial instruments approximate fair value because of their short-term nature.

Common stock

As discussed in Note 9 – *Bankruptcy Proceedings and Reorganization*, under the RI Plan, on the Emergence Date, Real Industry's common stock was cancelled and new shares were issued (i) 49% to the sponsors of the RI Plan, (ii) 31% to the holder of the Redeemable Preferred Stock, and (iii) 20% to the holders of common stock outstanding prior to the Emergence Date. Following the Emergence Date, and as of December 31, 2018 and December 31, 2019, the Company had 739,096 shares of common stock outstanding. Unless otherwise noted herein, information in the financial statements and notes thereto relating to periods prior to the Emergence Date refer to the common stock before the RI Plan equity updates; from and after the Emergence Date, information in the financial statements and notes thereto refer to the common stock after the RI Plan equity updates.

Income taxes

Deferred income taxes are computed using the liability method, under which deferred income taxes represent the tax effect of differences between the financial and income tax bases of assets and liabilities. As a result of generating operating losses since 2006, among other factors, the Company has determined that sufficient uncertainty exists as to the realizability of certain deferred tax assets and, as such, has placed a valuation allowance of $233.3 million and $234.3 million on its U.S. deferred tax assets as of December 31, 2019 and 2018, respectively. As a result of the Bankruptcy Proceedings, the Real Alloy business has been deconsolidated and thus the valuation allowances related to foreign deferred assets for the foreign operations of Real Alloy have been reversed and removed entirely. U.S. tax benefits and related U.S. deferred tax assets will be recognized if the Company considers realization of the net U.S. deferred tax assets to be more likely than not, or to the extent that U.S. deferred tax liabilities are recognized in connection with business combinations.

Uncertain tax positions that meet the more likely than not recognition threshold are measured to determine the amount of benefit to recognize. An uncertain tax position is measured at the largest amount of benefit that management believes has a greater than 50% likelihood of realization upon settlement. The Company classifies interest and penalties as a component of income tax expense.

Gain on Deconsolidation

ASC 810 requires the disclosure of any gain or loss recognized on the deconsolidation of a subsidiary or group of assets. As previously noted, the Real Alloy business was deconsolidated effective January 1, 2018. Upon deconsolidation, we derecognized total assets and liabilities of $577.9 million and $640.5 million, respectively. We recorded our interest in Real Alloy at zero based upon the offers received under the Section 363 Sale process and the ultimate conclusion of the Real Alloy sale, recognizing a gain on deconsolidation of $67.3 million after factoring in non-controlling interest and accumulated other comprehensive income. This gain on deconsolidation is reported in our financial statements in Earnings from Discontinued Operations, net of income taxes.

As a result of the deconsolidation, the RI Plan and the Real Alloy Section 363 Sale, the Company abandoned its equity in its direct subsidiary, RAIH, and thus its economic interest in Real Alloy, received no value from the Real Alloy 363 Sale, and maintains no ongoing relationship with Real Alloy. As we retain no further interest, nor value, in Real Alloy, no fair value methods were used in 2018.

Recent Accounting Standards Updates

The following provides information about recent Accounting Standards Updates (“ASU” or “Update”) issued by the FASB that are relevant to the operations of the Company.

New Accounting Pronouncements Adopted:

Given the deconsolidation of Real Alloy on January 1, 2018, new accounting standards did not have a material impact on the financials of Elah Holdings, Inc. due to the nature of the operations, revenue and expenses of the Company.

Standard	***Description***
ASU 2014-09, Revenue from Contracts with Customers (Topic 606)*, issued May 2014*	*ASU 2014-09 requires recognition of revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods and services. Additionally, this update requires the use of more estimates and judgments than prior accounting guidance, as well as additional disclosures. The FASB has issued several updates to the standard that i) defer the original effective date; ii) clarify the application of principal versus agent guidance; iii) clarify the guidance on inconsequential and perfunctory promises and licensing; and iv) clarify the guidance on the derecognition of nonfinancial assets. This guidance is effective for interim and annual reporting periods beginning after December 15, 2017 and may be applied retrospectively to each prior period presented or using a modified retrospective approach with the cumulative effect recognized as of the date of initial application. We adopted this guidance as of January 1, 2018 and the adoption did not*

	have a material impact on our consolidated financial condition and results of operations. To the extent our operations expand in the future, complying with ASC 2014-09 may have a material impact on our consolidated financial condition and results of operation.
ASU 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting, *issued March 2016.*	*ASU 2016-09 simplifies the accounting for share-based payment transactions, including their income tax consequences, and provides an option to recognize gross share-based compensation expense with actual forfeitures recognized as they occur, as well as certain classifications in the statement of cash flows.* *ASU 2016-09 requires prospective recognition of excess tax benefits and deficiencies resulting from share-based compensation awards vesting and exercises be recognized as a discrete income tax adjustment in the income statement. Previously, these amounts were recognized in additional paid-in capital. In 2018 and 2019, the Company recognized no income tax expense for excess tax deficiencies upon vesting of awards. ASU 2016-09 also requires that excess tax benefits from share-based compensation awards be reported as operating activities in the consolidated statements of cash flows. Previously, this activity was included in financing activities on the consolidated statements of cash flows. For public business entities, the amendments in this Update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company adopted this guidance on January 1, 2017 and this change had an immaterial impact on our consolidated financial condition, results of operation, equity and cash flows.*
ASU 2016-18, Statement of Cash Flows (Topic 230)*, issued November 2016.*	*ASU 2016-18 requires restricted cash and cash equivalents to be included with cash and cash equivalents on the statement of cash flows under the retrospective transition approach. The guidance became effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. This ASU had no impact on the Company's consolidated statements of cash flows.*
ASU 2017-09, Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting, *issued May 2017.*	*ASU 2017-09, which provides guidance about changes to the terms or conditions of a share-based payment award that requires an entity to apply modification accounting in Topic 718. The amendments in this Update will be applied prospectively to any awards modified on or after the adoption date. The amendments in this Update are effective for all entities for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. The Company adopted ASU 2017-09 on January 1, 2018 and it did not have a material impact on the Company's consolidated financial position, results of operations, equity or cash flows.*
ASU 2017-01, Business Combinations (Topic 805): Clarifying the Definition of a Business, *issued January 2017.*	*ASU 2017-01 clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. Public business entities should apply the amendments in this Update to annual periods beginning after December 15, 2017, including interim periods within those periods. The adoption of ASU 2017-01 on January 1, 2018 did not have a material impact on the Company's consolidated financial position, results of operations, equity or cash flows.*
ASU 2016-02, Leases (Topic 842), *issued February 2016.*	*ASU 2016-02 generally requires companies to recognize operating and financing lease liabilities and corresponding right-of-use assets on the balance sheet. The amendments in this Update are effective for fiscal years beginning after December 15, 2018 for public business entities. The adoption of ASU 2016-02 on January 1, 2019 did not have a*

	material impact on the Company's consolidated financial position, results of operations, equity or cash flows.

New Accounting Pronouncements to be Adopted:

We expect to adopt the following ASUs as required under their respective implementation dates; however, given our current operations, we would not expect any material impact on our financial statements and disclosures:

Standard	**Description**
ASU 2019-12—Income Taxes (Topic 740)	*ASU 2019-12 removes specific exceptions to the general principles in Topic 740. It eliminates the need for an organization to analyze whether the following apply in a given period: exception to the incremental approach for intraperiod tax allocation; exceptions to accounting for basis differences when there are ownership changes in foreign investments; and exception in interim period income tax accounting for year-to-date losses that exceed anticipated losses. The ASU also improves financial statement preparers' application of income tax-related guidance and simplifies GAAP for: franchise taxes that are partially based on income; transactions with a government that result in a step up in the tax basis of goodwill; separate financial statements of legal entities that are not subject to tax; and enacted changes in tax laws in interim periods. For public business entities, the amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.*
ASU 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, *issued January 2017*.	*ASU 2017-04 simplifies subsequent measurements of goodwill by eliminating Step 2 from the goodwill impairment test. In computing the implied fair value of goodwill under Step 2, an entity was required to perform procedures to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. The amendments in this update provide that an entity perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. A public business entity that is a U.S. Securities and Exchange Commission (SEC) filer should adopt the amendments in this Update for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. A public business entity that is not an SEC filer should adopt the amendments in this Update for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2020.*

NOTE 3—DISCONTINUED OPERATIONS

SGGH

SGGH and its subsidiaries include the legacy operations of Fremont, a diversified financial and insurance services business, which, by virtue of a series of asset sales and changes in operating strategy, became discontinued operations in June 2010, nearly ten years ago. As of December 31, 2019, the majority of SGGH's $0.2 million in assets were cash and cash equivalents and its liabilities rounded to zero, although it owns several subordinated mortgage backed securities that have been valued at zero since 2008. In the fourth quarter of 2019, the servicing entity for one of SGGH's subordinated mortgage-backed securitizations elected to exercise its clean-up call option, with the effect of purchasing all mortgages and properties remaining in such securitization and making a final distribution to all security holders. Given the profile of the mortgages in such securitization and the value of the tranche of securities senior to Fremont's asset, SGGH collected in cash and recognized $2.3 million of income for the year ended December 31, 2019. As of December 31, 2018, the majority of SGGH's $0.5 million in assets were cash and cash equivalents, its liabilities rounded to zero, and for the year ended December 31, 2018, it generated $0.3 million in earnings from cash received from its ownership of subordinated mortgage-backed securities.

Real Alloy

As detailed in Note 9 – *Bankruptcy Proceedings and Reorganization*, in January 2018, Real Industry entered into its debtor-in-possession credit facility during the Bankruptcy Proceedings based in part on the lenders' willingness to provide an equity commitment to serve as sponsor of a plan of reorganization to allow Real Industry to emerge from bankruptcy. The terms of the equity commitment were based upon a preliminary plan of reorganization whereby Real Industry would reorganize without any ongoing interest in Real Alloy. As management of Real Industry determined to move forward with a plan of reorganization whereby it would no longer have a viable option to reorganize with Real Alloy, management concluded that it also no longer had an ability to influence control over the activities of Real Alloy, and that it was appropriate to deconsolidate Real Alloy effective January 1, 2018. Ultimately, the Real Alloy business's assets, including the stock of its foreign operating subsidiaries, were sold pursuant to Section 363 of the Bankruptcy Code in a transaction which closed on May 31, 2018.

As a result of the deconsolidation, followed by the subsequent Real Alloy Section 363 Sale, the operations and financial condition of Real Alloy have been reported as Discontinued Operations for the year ended December 31, 2018, which solely relates to the gain on deconsolidation. Real Industry did not receive any proceeds from the Real Alloy Sale and has no further equity, other interest or ongoing relationship with the Real Alloy business, so no further activity has been recorded after the January 1, 2018 date of deconsolidation.

The Company reported a $67.3 million gain on deconsolidation in discontinued operations in the period ended December 31, 2018 due to the deconsolidation of Real Alloy with no activity for the period ended December 31, 2019.

The results of operations, financial condition and cash flow activity of discontinued operations have been separately identified on the consolidated financial statements.

NOTE 4—INCOME TAXES

The following table reflects income or loss from continuing operations before income taxes by domestic and foreign tax jurisdictions for the years ended December 31, 2019 and 2018:

	Year Ended December 31,	
(In millions)	**2019**	**2018**
U.S.	$ (2.5)	$ 6.1
Foreign	—	—
(Loss)/Income from continuing operations before income taxes	$ (2.5)	$ 6.1

The following table summarizes income tax expense (benefit), within continuing operations, for the years ended December 31, 2019 and 2018:

	Year Ended December 31,	
(In millions)	**2019**	**2018**
Current income tax expense (benefit):		
Federal	$ (2.1)	$ (4.3)
State	—	—
Foreign	—	—
Total current income tax expense (benefit):	(2.1)	(4.3)
Deferred income tax expense (benefit):		
Federal	2.1	4.3
State	—	—
Foreign	—	—
Total deferred income tax benefit (expense)	2.1	4.3
Total income tax expense (benefit):	$ —	$ —

The following table provides a reconciliation of the effective tax rates in the consolidated statements of operations from continuing operations for the years ended December 31, 2019 and 2018 with the statutory U.S. federal income tax rate of 21.0%:

	Year Ended December 31,	
	2019	**2018**
U.S. federal statutory rate	21.0 %	21.0 %
State income taxes	0.6 %	2.0 %
Foreign income taxes	— %	— %
Deferred tax valuation allowance	26.2 %	(167.1) %
Fair value adjustments	— %	— %
Revisions to prior years	(29.9) %	139.2 %
Goodwill impairment	— %	— %
Other permanent items	— %	22.8 %
Deferred tax rate change	(10.7) %	(33.7) %
Other adjustments	(7.4) %	15.9 %
Effective tax rate	(0.2) %	0.1 %

The following table provides a summary of the activity in the amount of unrecognized tax benefits for the years ended December 31, 2019 and 2018:

	Year Ended December 31,	
(In millions)	**2019**	**2018**
Balance, beginning of period	$ —	$ 0.3
Additions	—	—
Settlements	—	(0.3)
Balance, end of period	$ —	$ —

The recognition of unrecognized tax benefits as of December 31, 2019 and 2018 which would impact the effective tax rate for each year, were each zero. Interest and penalties related to unrecognized tax benefits are recognized as a component of income tax expense. For the years ended December 31, 2019 and 2018, the interest and penalty amounts were not significant. As a result of the Bankruptcy Proceedings, the Real Alloy business has been deconsolidated and thus the unrecognized tax benefit related to foreign operations of Real Alloy has been reversed and removed entirely. The reversal of the unrecognized benefit did not impact the effective tax rate as the tax impact has been reported net with discontinued operations.

Deferred income taxes are a component of continuing operations and include the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and for income tax reporting purposes. The components of the Company's deferred tax assets, liabilities and valuation allowances as of December 31, 2019 and 2018 are summarized in the following table:

(In millions)	December 31, 2019	2018
Deferred tax assets:		
Net operating loss carryforwards	$ 238.1	$ 208.4
Alternative minimum tax credits	2.1	4.3
Capital Loss Carryforward	—	31.0
Compensation	0.1	0.2
Interest Expense Carryforward	0.1	—
Intangible assets	0.1	0.1
Other	—	—
Total deferred tax assets	240.5	244.0
Deferred tax valuation allowance	(233.3)	(234.3)
Deferred tax assets, net of valuation allowance	7.2	9.7
Deferred tax liabilities:		
Property, plant and equipment	—	—
Federal benefit of state tax deferreds	(5.1)	(5.4)
Other	—	—
Total deferred tax liabilities	(5.1)	(5.4)
Net deferred tax assets	$ 2.1	$ 4.3

In the fourth quarter of 2019, management completed an assessment of the capital loss carryforward deferred tax asset reported at December 31, 2018 and determined that the loss was more likely than not a net operating loss carryforward and has reclassified this deferred tax asset accordingly as of December 31, 2019.

Management assesses deferred tax assets to consider whether it is more likely than not that the deferred tax assets will be realized. The ultimate realization of deferred tax assets depends on the ability to generate taxable income during the periods and in jurisdictions in which the temporary difference become deductible. As a result of generating losses since 2006, among other factors, we determined that sufficient uncertainty exists as to the realizability of our deferred tax assets and have placed a valuation allowance on nearly all of its U.S. deferred tax assets. The following table provides information about the activity of our deferred tax valuation allowance for the years ended December 31, 2019 and 2018:

(In millions)	Year Ended December 31, 2019	2018
Balance, beginning of period	$ 234.3	$ 256.1
Additions (reductions) recorded in the provision for income taxes	(1.0)	(21.8)
Balance, end of period	$ 233.3	$ 234.3

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, as well as various state and local jurisdictions. With few exceptions, the 2014 through 2018 tax years remain open to examination. Due to the existing NOLs, the Company is still subject to audit for certain loss years prior to 2008 by the IRS and by various state taxing authorities as the NOLs for a particular year are utilized. In October 2016, the IRS notified the Company of its intention to audit the Company's 2014 federal tax return.

As of December 31, 2019, the Company has estimated U.S. federal NOLs of approximately $1.0 billion. The U.S. federal NOLs generated prior to December 31, 2017 have a 20-year life and begin to expire after the 2027 tax year. Additionally, the Company has state NOLs in various jurisdictions, which aggregate to $346.4 million before valuation allowances.

NOTE 5—EQUITY

Common Stock

Real Industry's common stockholders, who voted to accept the RI Plan as a class, were issued their pro rata share of 20% of the common stock of Elah Holdings, in connection with which the outstanding common stock of Real Industry was cancelled and reissued to existing common stockholders on an effective 1-for-200 reverse stock split basis (with shares rounded up at 0.51 share). The sponsors of the RI Plan funded $17.5 million of capital and received 49% of the newly issued common stock of Elah Holdings. The holder of the Redeemable Preferred Stock received 31% of the newly issued common stock of Elah Holdings as part of a settlement of amounts owing to it by the Company.

As of the Emergence Date, December 31, 2018 and December 31, 2019, the Company's total issued and outstanding common stock was 739,096 shares.

Incentive Plans

An aggregate 7,400 options to purchase shares of Common Stock were issued to the Company's executive officers on January 24, 2019. The first one-third of these shares vested in a single tranche on December 31, 2019, and the remaining balance of these options vest monthly until May 31, 2021, provided the recipient is continuously employed in good standing on each vesting date. The options have an exercise price of $64.29 per share, which was equal to the current market value on the date of issuance. The Company valued the option grant at $0.3 million using the Black Scholes methodology based on a ten year life, the 10 year US Treasury rate at date of issue and volatility of 50% which was based upon the Company's historic volatility. The Company recognized approximately $0.1 million of expense for the period ended December 31, 2019. No options were exercised, converted, forfeited or expired during the year ended December 31, 2019. These are the only outstanding equity awards as of December 31, 2019.

As a result of the RI Plan, on the Emergence Date, all then existing equity award plans, and all outstanding common stock options were terminated without payment; all outstanding and unvested restricted stock awards which vested by their terms on a time basis were accelerated, unless payroll tax liabilities were not funded by the holder, in which case the stock was forfeited; and all outstanding and unvested performance share awards and other restricted stock awards were terminated. Further, the remaining restricted stock units that had been issued to certain directors of Real Industry who had elected under the Company's director compensation program to accept cash director fees in restricted stock units were vested and issued as common stock as of the Emergence Date. On the Emergence Date, the common stock issued as a result of the accelerated restricted stock and director restricted stock units was treated in the same manner as Real Industry's other shares of common stock outstanding as described above.

No shares of restricted common stock were granted, 474,468 shares of restricted stock (2,372 shares on a post-RI Plan basis) vested, and all remaining shares of restricted common stock were forfeited during the year ended December 31, 2018. No common stock option awards, performance share awards, or Director restricted stock units were issued during 2018. As of December 31, 2018, the Company had no outstanding restricted common stock, common stock options, warrants, performance shares, stock appreciation rights, or restricted stock units. Share-based compensation was approximately $0.9 million for the year ended December 31, 2018.

Defined Contribution Plan

The Company has a 401(k) defined contribution plan that covers substantially all employees. The match of employee contributions under the defined contribution plan was less than $100 thousand in each of the years ended December 31, 2019 and 2018 as reported as part of continuing operations.

NOTE 6—(LOSS) EARNINGS PER SHARE

For the years ended December 31, 2019 and 2018, earnings per share is computed by dividing net earnings attributable to Elah Holdings available to common shareholders by the weighted average number of common shares outstanding for the 2019 and 2018 reporting periods, respectively.

We present basic and diluted earnings per share for our one class of common stock, for both 2019 and 2018.

In 2019, the impact of all outstanding unvested shares of common stock options are excluded from diluted loss per share as their impact would be antidilutive. The total potentially dilutive common stock equivalents at December 31, 2019 was 2,467 of common stock options. Under the RI Plan, as discussed in Note 5 – *Equity*, outstanding shares of restricted stock (unless forfeited for failure to pay withholding taxes associated with the accelerated vesting) and unvested restricted stock units issued to Company directors were accelerated and treated as common stock on the Emergence Date, common stock options and unvested performance shares were cancelled without a distribution, and Warrants were cancelled in exchange for a payment of $0.09 per Warrant on the Emergence Date. As such, no dilutive or potentially dilutive securities were outstanding at December 31, 2018.

The following table sets forth the computation of basic and diluted (loss) earnings per share for the years ended December 31, 2019 and 2018:

	Year Ended December 31,	
(In millions, except share and per share amounts)	**2019**	**2018**
(Loss) Earnings from continuing operations	(2.5)	6.1
Earnings from discontinued operations, net of income taxes	2.3	67.5
(Loss) Net earnings attributable to Elah Holdings, Inc.	(0.2)	73.6
Numerator for basic and diluted (loss) earnings per share—(Loss) Net earnings available to common stockholders	(0.2)	73.6
Denominator for basic and diluted (loss) earnings per share—Weighted average shares		
Weighted average shares outstanding	739,096	530,309
Basic and diluted (loss) earnings per share:		
Continuing operations	(3.31)	11.51
Discontinued operations	3.08	127.28
Basic and diluted (loss) earnings per share	(0.23)	138.79

NOTE 7—SEGMENT INFORMATION

Segment information is prepared on the same basis that our chief operating decision-maker, who is our chief executive officer, manages the segments, evaluates financial results, and makes key operating decisions, and for which discrete financial information is available. As noted above in Note 2—*Presentation, Summary of Significant Accounting Policies and Recent Accounting Standards Updates*, management determined it was appropriate to deconsolidate Real Alloy as of January 1, 2018; therefore, for the periods presented herein, the Company operates as one single segment and continues to execute its longstanding business strategy of seeking to acquire profitable businesses in the commercial and industrial markets and supporting the performance of such acquisitions post-closing.

NOTE 8—COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Real Industry and SGGH, and formerly Real Alloy, have historically been named as a defendant in or as a party to a number of legal actions or proceedings that arose in the ordinary course of business. In some of these actions and proceedings, claims for monetary damages are asserted. In view of the inherent difficulty of predicting the outcome of such legal actions and proceedings, management generally cannot predict what the eventual outcome of the pending matters will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss related to each pending matter may be, if any.

In accordance with applicable accounting guidance, management establishes an accrued liability for litigation when those matters present loss contingencies that are both probable and reasonably estimable. In such cases, there may be an exposure to loss in excess of any amounts accrued. The estimated loss is based upon currently available information and is subject to significant judgment, a variety of assumptions, and known and unknown uncertainties. The matters underlying the estimated loss may change from time to time, and actual results may vary significantly from the current estimate. Therefore, an estimate of loss represents what management believes to be an estimate of loss only for certain matters meeting these criteria. It does not represent the Company's maximum loss exposure.

Based on management's current understanding of these pending legal actions and proceedings, it does not believe that judgments or settlements arising from pending or threatened legal matters, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company. However, in light of the inherent uncertainties involved in these matters, some of which are beyond the Company's control, and the very large or indeterminate damages sought in some of these matters, an adverse outcome in one or more of these matters could be material to the Company's results of operations or cash flows for any particular reporting period.

RMBS Defense, Indemnity and Contribution Matters. In connection with residential mortgage-backed securities offerings ("RMBS Offerings") involving loans originated by a subsidiary of Fremont, Fremont Investment & Loans ("FIL"), either or both of FIL and its subsidiary entered into loan purchase agreements, underwriting agreements and indemnification and contribution agreements, which contained or incorporated various representations and warranties relating to the loans. Investment banks involved in these RMBS Offerings have been sued in a number of actions concerning their activities related to subprime mortgages ("RMBS Actions"), where SGGH or its former businesses is not a named defendant. SGGH has received demands for defense, indemnity and contribution from defendants in various RMBS Actions. SGGH has rejected each of these demands on several grounds. There is no assurance that SGGH or its former businesses will not be named as defendants in additional RMBS Actions, be sued to enforce claimed rights to defense, indemnity and contribution, or receive additional demands for defense, indemnity and contribution. It is SGGH's intention to vigorously defend any such claims, but SGGH cannot presently predict whether such claims will be pursued or what the outcome would be.

Subpoenas for Information and Documents. In addition to the above-described RMBS Actions, SGGH has received and responded to a number of subpoenas for information from federal agencies and other third-parties in civil litigation matters in which SGGH is not a defendant, but which concern home mortgage transactions involving Fremont's origination and sale of whole loans, and certain RMBS Offerings.

Bankruptcy Proceedings. See Note 9—*Bankruptcy Proceedings and Reorganization* and Note 10—*Debtor-in-Possession Financial Information* for additional information about the Bankruptcy Proceedings.

NOTE 9—BANKRUPTCY PROCEEDINGS AND REORGANIZATION

Bankruptcy Filing

On November 17, 2017, Real Industry and the Real Alloy Debtors (the Real Alloy Debtors together with Real Industry, the "Debtors"), filed voluntary petitions for relief under the Bankruptcy Code in the Bankruptcy Court. The Chapter 11 Cases were jointly administered and procedurally consolidated in the Bankruptcy Court under the case of Real Industry, Case No. 17-12464 (KJC), and the caption "In re: Real Industry, Inc., *et al.*" Real Alloy's non-U.S. operations and its Goodyear, Arizona joint venture were not included in Chapter 11 Cases. The Company, on the one hand, and the Real Alloy Debtors, on the other, continued to operate their businesses uninterrupted during the pendency of the Chapter 11 Cases as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Material Events related to Real Industry Bankruptcy Proceedings

NASDAQ Delisting. On the Petition Date, Real Industry received written notice from the Nasdaq Stock Market LLC ("Nasdaq") stating that in accordance with its listing rules related to companies in bankruptcy, Real Industry's common stock would be delisted from Nasdaq. On November 28, 2017, Real Industry's common stock was removed from listing and registration on Nasdaq and traded on the OTC Pink Sheets under the symbol "RELYQ" until the Emergence Date.

Limitation on Transfer of Equity Interest in Real Industry. On January 17, 2018, the Bankruptcy Court entered a final order, approving procedures previously approved in its November 20, 2017 interim order, which required prior notice to the Bankruptcy Court of certain proposed transfers of beneficial ownership in Real Industry equity securities by persons who held 4.5% of the outstanding common stock of the Company or any shares of the Redeemable Preferred Stock, or by persons who would own over such levels upon such transfer. In connection with the protection of the Company's NOLs, the trading order also imposed limits of the declaration of Company stock as worthless by holders of 50% or more of any class of Real Industry's equity.

Real Industry DIP Financing Facility. On January 24, 2018, with Bankruptcy Court approval, Real Industry entered into a credit agreement (the "RELY DIP Credit Agreement") with 210 Capital, LLC and certain managed funds of the Private Credit Group of Goldman Sachs Asset Management LLP (collectively, the "DIP Lenders") in an aggregate principal amount of $5.5 million (the "RELY DIP Facility"). The RELY DIP Facility assessed interest at an annual rate of 11% (plus 2% upon and during an event of default) and matured on the earliest of, among other things, November 17, 2018, the effective date of a Chapter 11 plan of reorganization confirmed by the Bankruptcy Court, or acceleration and termination of the RELY DIP Facility due to an event of default. The RELY DIP Facility was secured by the assets of Real Industry and its subsidiaries, SGGH and Cosmedicine, LLC, but excluded any assets of Real Alloy.

The terms of the RELY DIP Credit Agreement provided for the DIP Lenders or affiliates thereof (collectively, the "Plan Sponsors") to sponsor a plan of reorganization for Real Industry. They further contemplated the Plan Sponsors' entry into definitive equity purchase agreements pursuant to which the Plan Sponsors, or their affiliates, would purchase up to 49% of Real Industry's common stock at emergence from its Chapter 11 Case for $17.5 million (the "Equity Commitment"), inclusive of the repayment of the RELY DIP Facility. In the event that Real Industry terminated the Equity Commitment without the Plan Sponsors' consent, Real Industry would owe $0.3 million and 4.9% of the Company's outstanding stock as a break-up fee.

Real Industry drew the full amount of such RELY DIP Facility during the first quarter of 2018, and on the Emergence Date, Real Industry repaid the full amount of borrowings and accrued interest under the RELY DIP Facility with the proceeds from the sale of Real Industry common stock under the RI Plan, simultaneous with the RELY DIP Facility's termination. The Company paid $0.2 million in cash interest expense and $0.4 million in fees and expenses (recorded as additional interest expense) associated with the RELY DIP facility in 2018.

Plan of Reorganization. On March 1, 2018, Real Industry filed a plan of reorganization and a disclosure statement, each as amended thereafter, with the Bankruptcy Court, whereby the Plan Sponsor was to provide $17.5 million of capital in exchange for 49% of newly issued equity in reorganized Real Industry ("Reorganized RELY"). In addition, the RI Plan contemplated a commitment by the Plan Sponsors to provide a credit facility of up to $500 million for Reorganized RELY to pursue its business plan post-emergence from its Chapter 11 Case. A majority of stockholders voted to approve the RI Plan, the Bankruptcy Court confirmed the RI Plan on May 2, 2019, and the RI Plan went effective on May 9, 2018. Under the RI Plan, as amended:

- Reorganized RELY changed its name to Elah Holdings, Inc.;
- The prior board of directors of Real Industry resigned and five new members were appointed to serve as the Board of Directors for Elah Holdings;
- The Plan Sponsors funded $17.5 million of capital and received 49% of the newly issued common stock of Elah Holdings;
- The Redeemable Preferred Stock was cancelled and the sole holder thereof received a $2.0 million cash payment and 31% of the newly issued common stock of Elah Holdings, in exchange for full settlement of its $28.5 million liquidation preference and $1.8 million of accrued dividends, which resulted in a gain of $17.2 million;
- Real Industry's common stockholders, who voted to accept the RI Plan as a class, were issued their pro rata share of 20% of the common stock of Elah Holdings, in connection with which the outstanding common stock of Real Industry was cancelled and reissued to existing common stockholders on an effective 1-for-200 reverse stock split basis (with shares rounded up at 0.51 share);
- All outstanding and unvested restricted stock awards which vested by their terms on a time basis were accelerated, unless payroll tax liabilities were not funded by the holder, in which case the stock was forfeited;
- All outstanding and unvested performance share awards, restricted stock awards which vested upon performance or employment-based conditions, and stock options were terminated;
- All outstanding and unexercised warrants were cancelled in exchange for a payment of approximately $130,000 in the aggregate;
- All liabilities of Real Industry were repaid in full or assumed;
- The outstanding obligations under the RELY DIP Credit Agreement were repaid and the RELY DIP Facility was cancelled; and
- Real Industry was deemed to have abandoned the equity of RAIH.

Post-Emergence Date Activities. After the Section 363 Sale, the Company wrote off the full balance of the intercompany receivable accounts with RAIH of $8.2 million (such amount had previously been fully reserved as part of the deconsolidation of Real Alloy). On August 6, 2018, the Company settled an appeal filed by certain stockholders and warrant holders against the RI Plan by making a $0.3 million payment of appellants' professional fees, which was recorded as an expense in Reorganization Items, net.

Because the RELY Chapter 11 Case was administratively consolidated with the RA Chapter 11 Case, and certain administration of the Real Alloy entities was required following the sale of the Real Alloy business in the Real Alloy Sale (defined below), the RELY Chapter 11 Case was closed on December 27, 2018.

Material Events related to Real Alloy Bankruptcy Proceedings

The Real Alloy Debtors' filing of the Bankruptcy Proceedings described above constituted an event of default that accelerated Real Alloy's obligations under its $110 million senior-secured revolving asset-based credit facility (the "Prior ABL Facility") and $305 million 10% senior secured notes due January 2019 ("Senior Secured Notes").

Real Alloy DIP Financing. On the Petition Date, the Real Alloy Debtors secured a commitment for debtor-in-possession financing (the "RA DIP Financing Facility"), which was approved on an interim basis by the Bankruptcy Court on November 20, 2017, and on a final basis on January 17, 2018. The RA DIP Financing Facility was comprised of (i) up to $85 million in new money debtor-in-possession notes issued by Real Alloy and guaranteed by RAIH and the other Real Alloy Debtors (the "New Money DIP Term Notes"), (ii) an additional series of debtor-in-possession notes issued by Real Alloy and guaranteed by RAIH and the other Real Alloy Debtors in the aggregate principal amount of $170 million (the "Roll Up DIP Term Notes" and collectively with the New Money DIP Term Notes, the "RA DIP Notes Facility") in exchange for $170 million of the Senior Secured Notes (as defined below), and (iii) up to $110 million in borrowing by certain of the Real Alloy Debtors under a revolving credit facility (the "RA DIP ABL Facility") to refinance the Prior ABL Facility and support Real Alloy's ongoing operations and working capital needs. The purchasers of the New Money DIP Term Notes were entitled to exchange, on a pro rata basis, up to $170 million of their existing Senior Secured Notes for Roll Up DIP Term Notes.

Real Alloy Sale Process. In connection with the RA DIP Financing Facility, the Real Alloy Debtors agreed to pursue a sale of Real Alloy's assets in a sale under Section 363 of the Bankruptcy Code, on certain milestones and terms, including to obtain the prior written consent of a majority of certain required holders under the RA DIP Notes Facility and Bank of America, N.A. (as administrative agent and collateral agent under the RA DIP ABL Facility) in order to sell the assets of the Real Alloy Debtors, unless the obligations under the RA DIP Financing Facility, the Senior Secured Notes and the Prior ABL Facility were repaid in full in cash upon the closing of such sale.

On February 2, 2018, as no qualifying stalking horse bids had been received meeting the terms of the RA DIP Financing Facility, an *ad hoc* group of the Real Alloy Debtors' secured noteholders stated their intention to provide a cash and credit bid for substantially all of the assets of the Real Alloy Debtors (the "Credit Bid Proposal"), and on March 7, 2018, the ad hoc noteholder group, the Real Alloy Debtors, and the unsecured creditors committee in the Real Alloy Chapter 11 Case agreed upon the terms of the asset purchase agreement for such Credit Bid Proposal (the "Asset Purchase Agreement"). On March 28, 2018, the Real Alloy Debtors agreed with the purchasers therein to sell all their assets, including their equity interests in the non-debtor Real Alloy subsidiaries (the "Real Alloy Sale"), subject to Bankruptcy Court approval, pursuant to the Asset Purchase Agreement.

On March 29, 2018, the Bankruptcy Court approved the Asset Purchase Agreement, and the Real Alloy Sale closed on May 31, 2018. Real Industry did not receive any proceeds from the Real Alloy Sale and has no further equity or other interest in the Real Alloy business.

NOTE 10—DEBTOR-IN-POSSESSION FINANCIAL INFORMATION

As discussed in Note 9 – *Bankruptcy Proceedings and Reorganization*, on November 17, 2017, the Debtors filed voluntary petitions in the Bankruptcy Court seeking relief under Chapter 11 of the Bankruptcy Code. Real Alloy's Germany, United Kingdom, Norway, Canada and Mexico operations and its Goodyear, Arizona joint venture were not included in these filings. Each of Real Industry and the Real Alloy Debtors continued to operate their respective businesses following the Petition Date as debtors-in-possession under the jurisdiction of the Bankruptcy Court in the jointly administered Bankruptcy Proceedings and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Condensed Combined Financial Information

As of December 31, 2018, neither the Company nor any of its subsidiaries were operating under Chapter 11 protection.

The following table presents the condensed combined statement of operations of the Real Industry Debtor's continuing operations for the period January 1 to May 8, 2018:

(In millions)	Debtor-In-Possession (Continuing Operations) (1/1/18-5/8/18)
Revenues	$ —
Cost of sales	—
Gross profit	—
Selling, general and administrative expenses	(2.2)
Operating loss	(2.2)
Nonoperating expense (income):	
Interest expense, net	0.6
Reorganization items, net	5.8
Total nonoperating expense, net	6.4
Loss from continuing operations before income taxes	(8.6)
Income tax (benefit)	—
(Loss) from continuing operations	$ (8.6)

Reorganization items, net

Transactions and events directly associated with the reorganization are distinguished from the ongoing operations of the business, which are classified as reorganization items, net in the consolidated statements of operations for the year ended December 31, 2018. The following table summarizes reorganization items, net:

(In millions)	Debtor-in-Possession		
	Continuing	Discontinued	Total
Year ended December 31, 2018			
Professional fees	$ 1.4	$ —	$ 1.4
Legal fees	3.8	—	3.8
Gain on Settlement of Redeemable Preferred Stock	(17.2)	—	(17.2)
Fair value buyout of Warrants	0.1	—	0.1
Write-off of Capitalized Financing Costs	0.2	—	0.2
Payment to settle appeal	0.3	—	0.3
Reorganization items, net	$ (11.4)	$ —	$ (11.4)

Under the RI Plan, Aleris Corporation, the sole holder of the Company's Redeemable Preferred Stock, received a $2.0 million cash payment plus 31% of the newly issued equity in Reorganized RELY in exchange for full settlement of its $28.5 million liquidation preference and $1.8 million of accrued dividends, resulting in the Company recognizing a non-cash gain on settlement of $17.2 million recorded in reorganization items, net in 2018. As this event occurred as of the Emergence Date, it was determined to be a Reorganization item after the Company's debtor-in-possession period.

APPENDIX B

INFORMATION ON BOARD OF DIRECTORS, MANAGEMENT AND SECURITIES OWNERSHIP

BOARD OF DIRECTORS; MANAGEMENT

Board of Directors:

C. Clark Webb, *Chairman*
Robert H. Alpert
Randolph E. Brown
Brian Laibow
Douglas K. Tabor

Executive Management:

Kyle Ross, *Chief Executive Officer, President, Chief Investment Officer*
Michael J. Hobey, *Chief Financial Officer, Executive Vice President*
Kelly G. Howard, *General Counsel, Executive Vice President, Corporate Secretary*

Biographical information on our directors and executive officers is available on the Company's website: www.elahholdings.com under the "Directors" and "Management" tabs.

SECURITY OWNERSHIP OF DIRECTORS, MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The table below sets forth certain information regarding beneficial ownership of our common stock as of March 10, 2020 by (i) each of our directors, (ii) each of our executive officers, (iii) all of our directors and executive officers as a group, and (iv) each person, or group of affiliated persons, known to us to beneficially own more than 5% of our outstanding common stock. To our knowledge, except as otherwise indicated below, each of the persons named in the table has sole voting and investment power with respect to all shares beneficially owned, subject to applicable community property and similar laws.

Beneficial ownership is determined in accordance with the SEC rules. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options, warrants, or other rights held by that person that were exercisable as of March 10, 2020, or will become exercisable within 60 days after March 10, 2020, are deemed outstanding, but such shares are not deemed outstanding for purposes of computing the percentage ownership of any other person.

Name and Address of Beneficial Owner[(1)]	Number of Shares	Percentage of Class[(2)]	
Executive Officers and Directors:			
Kyle Ross[(3)]	3,187	*	
Michael J. Hobey[(4)]	1,240	*	
Kelly G. Howard[(5)]	1,974	*	
C. Clark Webb[(6)]	185,514	25.10	%
Robert H. Alpert[(7)]	184,439	24.95	%
Randolph E. Brown[(8)]	9,123	1.23	%
Brian Laibow	—	*	
Douglas Tabor[(9)]	11,946	1.62	%
All current executive officers and directors as a group (eight persons)	**212,984**	**28.63**	**%**
Holders of More Than 5% of Outstanding Shares:			
210/RELY Partners, LP[(10)]	184,439	24.95	%
Goldman Sachs BDC, Inc.[(11)]	46,214	6.25	%
Goldman Sachs Private Middle Market Credit LLC[(11)]	69,386	9.39	%
Goldman Sachs Middle Market Lending Corp.[(11)]	65,436	8.85	%
OCM Opps 7b Real Holdings, LLC[(12)]	59,785	8.09	%

* Less than 1.0%

(1) The address of each of the directors and executive officers is c/o Elah Holdings, Inc., 8214 Westchester Drive, Suite 950, Dallas, Texas 75225.

(2) Based on 739,096 shares of common stock outstanding as of March 10, 2020, as adjusted on an individual or group basis to calculate percentage ownership for any options, warrants, or other rights held by such person(s) that were exercisable as of March 10, 2020 or will become exercisable within sixty days after March 10, 2020.

(3) Shares reported include (i) 1,161 shares and (ii) 2,026 options to purchase shares that have vested or will vest within 60 days of March 10, 2020 (of a total 3,171 options to purchase shares of ELLH stock at an exercise price of $64.29/share). These stock options vest over a three-year period, with full vesting in May 2021 (the "Option Terms").

(4) Shares reported include (i) 295 shares and (ii) 945 options to purchase shares that have vested or will vest within 60 days of March 10, 2020 (of a total 1,480 options to purchase shares of ELLH stock at an exercise price of $64.29/share). These stock options vest on the Option Terms.

(5) Shares reported include (i) 219 shares and (ii) 1,755 options to purchase shares that have vested or will vest within 60 days of March 10, 2020 (of a total 2,749 options to purchase shares of ELLH stock at an exercise price of $64.29/share). These stock options vest on the Option Terms.

(6) Shares include (i) 1,075 shares directly owned by Mr. Webb, and (ii) 184,439 shares indirectly owned jointly with Mr. Alpert through 210/RELY Partners, LP (the "210 Shares"). 210/RELY Investment, LLC is the general partner of, and may be deemed to beneficially own certain securities of 210/RELY Partners. 210 Capital, LLC is the sole member of, and may be deemed to beneficially own certain securities of 210/RELY Investment. Covenant RHA Partners, LP and CCW/LAW Holdings, LLC are the members of, and may be deemed to beneficially own certain securities owned by, 210 Capital. Mr. Webb is the sole member of, and may be deemed to beneficially own certain securities owned by, CCW/LAW Holdings. RHA Investments, Inc. is the general partner of, and may be deemed to beneficially own certain securities owned by, Covenant RHA Partners. Mr. Alpert is the President and sole shareholder of, and may be deemed to beneficially own certain securities owned by, RHA Investments. This description of the ownership of ELLH shares shall not be deemed an admission that such persons are, for purposes of Section 13(d), 13(g) or 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose, the beneficial owners of any securities so described, and Messrs. Webb and Alpert and the foregoing entities disclaim beneficial ownership of the securities so described, except to the extent of the pecuniary interest of such persons in such securities, if any.

(7) Shares represent the 210 Shares discussed above under Footnote 6.

(8) Shares held by The Randolph E. Brown 5X5 Trust.

(9) Shares include (i) 10,334 shares held directly, and (ii) 1,612 shares held indirectly through Texas Time Express.

(10) Please see the discussion of the 210 Shares under Footnote 6. The business address of 210/RELY Capital, LP is 8214 Westchester Drive, Suite 950, Dallas, Texas 75225.

(11) Pursuant to a Schedule 13D jointly filed by the entities with the SEC on May 18, 2019, Goldman Sachs Asset Management, LP ("GSAM") reported it had shared voting and dispositive power over an aggregate 181,036 shares as follows: (i) 46,214 shares held directly by Goldman Sachs BDC, Inc.; (ii) 69,386 shares held directly by Goldman Sachs Private Middle Market Credit LLC; and (iii) 65,436 shares held directly by Goldman Sachs Middle Market Lending Corp. (such three entities, the "GS Purchasers"). GSAM is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and serves as the investment adviser to each of the GS Purchasers, and as such may be deemed to beneficially own the ELLH shares beneficially held by each GS Purchaser. This description of the ownership of ELLH shares shall not be deemed an admission that GSAM is, for purposes of Section 13(d), 13(g) or 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose, the beneficial owners of the aforementioned securities directly held by each of the GS Purchasers. The business address of GSAM and the GS Purchasers is 200 West Street, New York, New York 10282.

(12) This is a fund owned by Oaktree Capital Management, LLC. The business address is 333 South Grand Avenue, 28th Floor, Los Angeles, California 90071.

*   *   *