NEWS RELEASE

Atlanticus Reports First Quarter 2022 Financial Results

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First Quarter 2022 Revenues up 59.7% over prior year, with robust new account growth allowing for continued strong results

ATLANTA, May 10, 2022 (GLOBE NEWSWIRE) -- Atlanticus Holdings Corporation (NASDAQ: ATLC) ("Atlanticus," "the Company", "we," "our" or "us"), a financial technology company which enables its bank, retail and healthcare partners to offer more inclusive financial services to millions of everyday Americans, today announced its financial results for the first quarter ended March 31, 2022.

First Quarter 2022 Highlights (*all comparisons to the prior year period)*

- Total operating revenue increased 59.7% to $229.8 million, 6.1% over fourth quarter 2021.
- Purchase volume increased 55.2% to $594.1 million.
- Number of total customers served(1) at period end increased 58.1% to 2.9 million.
- Over 395,000 new customers serviced during the quarter.
- Managed receivables(2) at period end associated with Credit as a Service Segment increased 53.6% to $1.7 billion, and 4.1% over fourth quarter 2021.
- Earnings per diluted common share increased 2.6% to $1.96 per diluted common share.
- Over 1 million shares retired during the quarter.

(1) In our calculation of total customers, we include all customers with account activity and customers who have open lines of credit at the end of the referenced period.

(2) Managed receivables is a non- GAA P financia l measure . Se e " Non - GAA P Financia l Measures " for important

additional information.

Management Commentary

Jeff Howard, President and Chief Executive Officer, stated, "The first quarter of 2022 continued to show strong growth in revenue, managed receivables, and both new and total accounts serviced. We generated a 2.6% increase in earnings per share year-over-year even with a significant increase in our marketing investment and comparing against historically low charge-offs in 2021. We are off to a great start in the second quarter, exceeding a meaningful milestone in early April 2022 as we now serve over 3.0 million card customers. This is yet another indication of the success our team is having in enabling our partners to offer more inclusive financial solutions as we continue to execute on our Purpose of Empowering Better Financial Outcomes for Everyday Americans."

Mr. Howard continued, "While we are pleased with our results, we are mindful of rising interest rates and the potential for economic stress. Today, over 90% of our receivables-based debt is fixed-rate financing, providing us with meaningful protection from rising rates. The customers we serve continue to exhibit strong purchasing and payment activity, and delinquency rates remain below levels seen in the first quarter of 2020, prior to the pandemic. Our partners continue to enjoy strong customer engagement and repeat purchase behavior. Purchase volume was up 55.2%, while payment rates continue to reflect a healthy consumer. Given these recent consumer performance trends and the value our partners continue to place on our credit-as-a-service platform, we remain optimistic about what lies ahead. Our technology, 25 years of data aggregation, diversity of product offerings and marketing channels, and history of managing through economic cycles provide for a truly differentiated platform from which to continue our growth.

"Finally, we retired over 1 million shares of our common stock during the quarter. At current market prices, these repurchases represent a strong return opportunity for our shareholders."

First Quarter 2022 Financial Results (all comparisons to the prior year period)

($ in thousands)	For the Three Months Ended March 31, 2022	2021	Income Increases (Decreases) Change	Percentage Increases (Decreases) Change
Total operating revenue	$ 229,770	$ 143,895	85,875	59.7%
Other non-operating revenue	61	840	(779)	-92.7%
Total revenue	229,831	144,735	85,096	58.8%
Interest expense	(17,410)	(12,298)	(5,112)	41.6%
Provision for losses on loans, interest and fees receivable recorded at net realizable value	(147)	(4,135)	3,988	-96.4%
Changes in fair value of loans, interest and fees receivable and notes payable associated with structured financings recorded at fair value	(104,680)	(27,491)	(77,189)	280.8%
Net margin	107,594	100,811	6,783	6.7%
Total Operating Expense	69,960	41,207	(28,753)	69.8%
Loss on repurchase of convertible senior notes	—	7,807	7,807	
Net income	$ 44,755	$ 44,027	728	1.7%
Net income attributable to controlling interests	$ 45,010	$ 44,075	935	2.1%
Preferred dividends and discount accretion	(6,206)	(4,687)	(1,519)	32.4%
Net income attributable to controlling interests to common shareholders	$ 38,804	$ 39,388	(584)	-1.5%
Net income attributable to common shareholders per common share—basic	$ 2.62	$ 2.62	—	0.0%
Net income attributable to common shareholders per common share—diluted	$ 1.96	$ 1.91	0.05	2.6%

Managed Receivables

Managed receivables increased 53.6% to $1.7 billion as of March 31, 2022, from $1.1 billion as of March 31, 2021 as total customers served increased 58.1% to 2.9 million. Managed receivables also increased 4.1% or $66.6 million from December 31, 2021. Continued strong consumer spending behavior on our general purpose credit cards during the first quarter of 2022 helped grow our period-end managed receivables. This growth was offset slightly by seasonal declines in demand for private label credit products. We expect growth in both our general purpose credit card and private label credit products to continue into 2022.

Total revenue

During the quarter ended March 31, 2022, total operating revenue increased 59.7% to $229.8 million. Total operating revenue consists of interest income, finance charges, fees and ancillary, interchange and servicing income on loan portfolios.

Period-over-period increases in operating revenue primarily relate to growth in private label credit and general purpose credit card receivables. Additionally, on January 1, 2022, we adopted Accounting Standards Update 2016-13, Measurement of Credit Losses on Financial Instruments. Upon adoption, we elected the fair value option for all

remaining loans receivable associated with our private label credit and general-purpose credit card platform previously measured at amortized cost.

Given our expectation for continued period-over-period growth in private label credit and general purpose credit card receivables, coupled with increased revenue recognition as a result of our adoption of the fair value option for all remaining loans receivable associated with our private label credit and general purpose credit card platform measured at amortized cost, we expect continued net period-over- period growth in our total interest income and related fees and charges for these operations in 2022.

Interest expense

Interest expense was $17.4 million for the quarter ended March 31, 2022, compared to $12.3 million in the prior year period.

Outstanding notes payable, net, associated with private label credit and general purpose credit card products increased to $1.2 billion as of March 31, 2022 from $781.1 million as of March 31, 2021 helping drive the increase in interest expense. Additionally, the issuance of $150.0 million of senior notes in November 2021 also served to increase interest expense during the period. Offsetting these increases in interest expense was an overall decrease in the weighted average cost of funds, coupled with the repurchase and redemption of our convertible senior notes. We anticipate additional debt financing over the next few quarters as we continue to grow coupled with increased effective interest rates resulting from anticipated federal funds rate increases, and as such, we expect our quarterly interest expense to be above that experienced in the prior periods for these operations.

Provision for losses on loans, interest and fees receivable recorded at net realizable value

Provision for losses on loans, interest and fees receivable recorded at net realizable value decreased to $0.1 million for the quarter ended March 31, 2022, compared to $4.1 million in the prior year period.

We have experienced a period-over-period decrease in this category primarily reflecting: 1) the effects of our adoption of the fair value option under ASU 2016-13 on January 1, 2022, which has resulted in a significant decline in the outstanding receivables subject to this provision and 2) the overall reduction in delinquencies (and related charge-offs) associated with these receivables in part due to government stimulus programs, which have served to increase payments on outstanding receivables. Given our adoption of ASU 2016-13, our provision on loans will relate solely to our Auto Finance segment going forward.

Total operating expense

Total operating expense increased 69.8% to $70.0 million for the quarter ended March 31, 2022, compared to $41.2 million for the same period in 2021. Total annualized operating expense as a percentage of total assets increased to 14.6% from 13.7% in the prior year period.

Certain operating costs are variable based on the levels of accounts and receivables we service (both for our own receivables and for others) and the pace and breadth of our growth in receivables. Increases in operating expenses were largely due to increases in receivables acquisition volume as well as increased marketing expenses that often precede the revenues generated from the subsequently acquired assets. The average cost to acquire this volume remained largely consistent between periods.

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders decreased 1.5% to $38.8 million for the quarter ended March 31, 2022, compared to $39.4 million for the same period in 2021.

Net Income Attributable to Common Shareholders Per Common Share – basic and diluted

Net income attributable to common shareholders per basic common share was $2.62 for both the quarter ended March 31, 2022, and March 31, 2021.

Net income attributable to common shareholders per common share diluted increased to $1.96 for the quarter ended March 31, 2022, compared to $1.91 for the same period in 2021. The increase in our diluted earnings per share was largely driven by decreases in our outstanding share count both through open market purchases as well as shares of stock returned to us by employees in satisfaction of withholding tax requirements on exercised stock options and vested stock grants.

Balance Sheet and Cash Flow Information

At March 31, 2022, unrestricted cash and cash equivalents totaled $373.5 million.

During the quarter ended March 31, 2022, cash flow from operations equaled $80.7 million, compared to $52.8 million during 2021. The increase in cash provided by operating activities was principally related to an increase in finance and fee collections associated with growing private label credit and general purpose credit card receivables and increased recoveries on charged-off receivables. Offsetting these collections were increased year over year payments made to pay federal and state taxes. Collections on receivables have generally benefited from increased consumer payments because of government stimulus payments. As the impact of these stimulus payments decreases, we expect consumer payments to return to historical levels. We will continue to invest in the profitable

assets generated in both our general purpose and retail credit operations throughout 2022.

About Atlanticus Holdings Corporation

Empowering Better Financial Outcomes for Everyday Americans

Atlanticus' technology allows bank, retail, and healthcare partners to offer more inclusive financial services to everyday Americans through the use of proprietary analytics. We apply the experience gained and infrastructure built from servicing over 18 million customers and $27 billion in consumer loans over our 25 year operating history to support lenders that originate a range of consumer loan products. These products include retail and healthcare private label credit and general purpose credit cards marketed through our omnichannel platform, including retail point-of-sale, healthcare-point of-care, direct mail solicitation, internet-based marketing, and partnerships with third parties. Additionally, through our CAR subsidiary, Atlanticus serves the individual needs of automotive dealers and automotive non-prime financial organizations with multiple financing and service programs.

Forward - Lookin g Statements

This press release contains forward-looking statements that reflect the Company's current views with respect to, among other things, its business, operations, financial performance, managed receivables, total interest income and related fees and charges, debt financing and interest expense, interest rates, underwriting, consumer performance trends and economic developments. You generally can identify these statements by the use of words such as "outlook," "potential," "continue," "may," "seek," "approximately," "predict," "believe," "expect," "plan," "intend," "estimate" or "anticipate" and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as "will," "should," "would," "likely" and "could." These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. These risks and uncertainties include those risks described in the Company's filings with the Securities and Exchange Commission and include, but are not limited to, risks related to the extent and duration of the COVID-19 pandemic and its impact on the Company, bank partners, merchant partners, consumers, loan demand, the capital markets, labor availability, supply chains and the economy in general; the Company's ability to retain existing, and attract new, merchant partners and funding sources; changes in market interest rates; increases in loan delinquencies; its ability to operate successfully in a highly regulated industry; the outcome of litigation and regulatory matters; the effect of management changes; cyberattacks and security vulnerabilities in its products and services; and the Company's ability to compete successfully in highly competitive markets. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, the Company disclaims any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events

or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements.

Non -GAAP Financial Measure

This press release presents information about managed receivables, which is a non-GAAP financial measure provided as a supplement to the results provided in accordance with accounting principles generally accepted in the United States of America ("GAAP"). This non-GAAP financial measure aids in the evaluation of the performance of our credit portfolios, including our risk management, servicing and collection activities and our valuation of purchased receivables. The credit performance of our managed receivables provides information concerning the quality of loan origination and the related credit risks inherent with the portfolios. Management relies heavily upon financial data and results prepared on the "managed basis" in order to manage our business, make planning decisions, evaluate our performance and allocate resources.

This non-GAAP financial measure is presented for supplemental informational purposes only. This non-GAAP financial measure has limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, GAAP financial measures. This non-GAAP financial measure may differ from the non-GAAP financial measures used by other companies. The calculation of managed receivables is provided below under "Calculation of Non-GAAP Financial Measure" for each of the fiscal periods indicated.

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Atlanticus Holdings Corporation and Subsidiaries
Consolidated Statements of Operations (Unaudited)
(Dollar s i n thousands , excep t pe r shar e data)

	For the Three Months Ended March 31,	
	2022	2021
Revenue:		
Consumer loans, including past due fees	$ 164,806	$ 102,296
Fees and related income on earning assets	54,698	37,020
Other revenue	10,266	4,579
Total operating revenue, net	229,770	143,895
Other non-operating revenue	61	840
Total revenue	229,831	144,735
Interest expense	(17,410)	(12,298)
Provision for losses on loans, interest and fees receivable recorded at net realizable value	(147)	(4,135)
Changes in fair value of loans, interest and fees receivable and notes payable associated with structured financings recorded at fair value	(104,680)	(27,491)
Net margin	107,594	100,811
Operating expense:		
Salaries and benefits	11,426	8,239
Card and loan servicing	22,675	17,387
Marketing and solicitation	20,573	10,301
Depreciation	593	312
Other	14,693	4,968
Total operating expense	69,960	41,207
Loss on repurchase and redemption of convertible senior notes	—	7,807
Income before income taxes	37,634	51,797
Income tax benefit (expense)	7,121	(7,770)
Net income	44,755	44,027
Net loss attributable to noncontrolling interests	255	48
Net income attributable to controlling interests	45,010	44,075
Preferred dividends and discount accretion	(6,206)	(4,687)
Net income attributable to common shareholders	$ 38,804	$ 39,388
Net income attributable to common shareholders per common share—basic	$ 2.62	$ 2.62
Net income attributable to common shareholders per common share—diluted	$ 1.96	$ 1.91

Atlanticus Holdings Corporation and Subsidiaries

Consolidate d Balanc e Sheet s (Unaudited)

(Dollars in thousands)

	March 31, 2022	December 31, 2021
Assets		
Unrestricted cash and cash equivalents (including $211.6 million and $209.5 million associated with variable interest entities at March 31, 2022 and December 31, 2021, respectively)	$ 373,468	$ 409,660
Restricted cash and cash equivalents (including $12.5 million and $75.9 million associated with variable interest entities at March 31, 2022 and December 31, 2021, respectively)	32,009	96,968
Loans, interest and fees receivable:		
Loans, interest and fees receivable, at fair value (including $1,293.2 million and $925.5 million associated with variable interest entities at March 31, 2022 and December 31, 2021, respectively)	1,405,765	1,026,424
Loans, interest and fees receivable, gross (including $369.6 million associated with variable interest entities at December 31, 2021)	99,916	470,293
Allowances for uncollectible loans, interest and fees receivable (including $55.1 million associated with variable interest entities at December 31, 2021)	(1,612)	(57,201)
Deferred revenue (including $8.2 million associated with variable interest entities at December 31, 2021)	(15,878)	(29,281)
Net loans, interest and fees receivable	1,488,191	1,410,235
Property at cost, net of depreciation	6,819	7,335
Operating lease right-of-use assets	2,592	4,016
Prepaid expenses and other assets	18,558	15,649
Total assets	$ 1,921,637	$ 1,943,863
Liabilities		
Accounts payable and accrued expenses	$ 50,905	$ 42,287
Operating lease liabilities	2,457	4,842
Notes payable, net (including $1,206.6 million and $1,223.4 million associated with variable interest entities at March 31, 2022 and December 31, 2021, respectively)	1,268,821	1,278,864
Senior notes, net	143,310	142,951
Income tax liability	43,100	47,770
Total liabilities	1,508,593	1,516,714
Commitments and contingencies		
Preferred stock, no par value, 10,000,000 shares authorized:		
Series A preferred stock, 400,000 shares issued and outstanding at March 31, 2022 (liquidation preference - $40.0 million); 400,000 shares issued and outstanding at December 31, 2021(1)	40,000	40,000
Class B preferred units issued to noncontrolling interests	99,725	99,650
Shareholders' Equity		
Series B preferred stock, no par value, 3,188,533 shares issued and outstanding at March 31, 2022 (liquidation preference - $79.7 million); 3,188,533 shares issued and outstanding at December 31, 2021(1)	—	—
Common stock, no par value, 150,000,000 shares authorized: 14,912,895 and 14,804,408 shares issued at March 31, 2022 and December 31, 2021, respectively; 14,912,895 and 14,804,408 shares outstanding at March 31, 2022 and December 31, 2021, respectively	—	—
Paid-in capital	160,242	227,763
Retained earnings	113,828	60,236
Total shareholders’ equity	274,070	287,999
Noncontrolling interests	(751)	(500)
Total equity	273,319	287,499
Total liabilities, preferred stock and equity	$ 1,921,637	$ 1,943,863

(1) Both the Series A preferred stock and the Series B preferred stock have no par value and are part of the same

aggregate 10,000,000 shares authorized.

Calculation of Non- GAA P Financia l Measure

Loans, interest and fees receivable, at face value

	At or for the Three Months Ended							
	2022	2021			2020			
($ in Millions)	Mar. 31 (1)	Dec. 31 (1)	Sep. 30 (1)	Jun. 30 (1)	Mar. 31 (1)	Dec. 31 (1)	Sept. 30 (1)	Jun. 30 (1)
Loans, interest and fees receivable, at fair value	$ 1,405.8	$ 1,026.4	$ 846.2	$ 644.7	$ 481.4	$ 417.1	$ 310.8	$ 177.9
Fair value mark against receivable (2)	$ 272.9	$ 208.9	$ 182.2	$ 148.6	$ 112.3	$ 99.0	$ 71.8	$ 42.7
Loans, interest and fees receivable, at face value	$ 1,678.7	$ 1,235.3	$ 1,028.4	$ 793.3	$ 593.7	$ 516.1	$ 382.6	$ 220.6

(1) We elected the fair value option to account for certain loans receivable associated with our private label credit and general purpose credit card platform that are acquired on or after January 1, 2020. On January 1, 2022, we elected the fair value option under ASU 2016-13 for those private label credit and general purpose credit card receivables that were accounted for under the amortized cost method.

(2) The fair value mark against receivables reflects the difference between the face value of a receivable and the net present value of the expected cash flows associated with that receivable.

Manage d receivables

Below is the calculation of managed receivables (in millions):

	At or for the Three Months Ended							
	2022	2021			2020			
($ in Millions)	Mar. 31 (1)	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30
Loans, interest and fees receivable, gross	$ —	$ 375.7	$ 417.8	$ 454.2	$ 498.8	$ 574.3	$ 604.8	$ 679.6
Loans, interest and fees receivable, gross from fair value reconciliation above	1,678.7	1,235.3	1,028.4	793.3	593.7	516.1	382.6	220.6
Total managed receivables	$ 1,678.7	$ 1,611.0	$ 1,446.2	$ 1,247.5	$ 1,092.5	$ 1,090.4	$ 987.4	$ 900.2

(1) On January 1, 2022, we elected the fair value option under ASU 2016-13 for those private label credit and general purpose credit card receivables that were accounted for under the amortized cost method.

Source: Atlanticus Holdings Corp