NEWS RELEASE

Atlanticus Reports Second Quarter 2026 Financial Results

2026-08-06

Second Quarter Earnings of $2.50 Per Diluted Common Share Resulting from Continued Strong Asset Level Performance and Acquisition Integration

ATLANTA, Aug. 06, 2026 (GLOBE NEWSWIRE) -- Atlanticus Holdings Corporation (NASDAQ: ATLC) (Atlanticus, the Company, we, our or us), a financial technology company that 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 second quarter ended June 30, 2026. An accompanying earnings presentation is available in the Investors section of the Company's website at ***www.atlanticus.com*** or by clicking ***here***.

Financial and Operating Highlights

Second Quarter 2026 Highlights (all comparisons to the Second Quarter 2025, unless otherwise indicated)

- Record net income attributable to common shareholders of $47.4 million, an increase of 67.2%, or $2.50 per diluted common share
- Total operating revenue and other income increased 89.0% to a record $744.3 million
- Managed receivables1 increased 126.2% to $6.9 billion
- Return on average equity of 28.1%2
- Purchase volume of $1,756.6 million
- Total accounts served in excess of 6.3 million3
- Record new customers served of over 790,000 added in the second quarter 2026

1) Managed receivables is a non-GAAP financial measure and excludes the results of our Auto Finance receivables.

See Calculation of Non-GAAP Financial Measures for important additional information.
2) Return on average equity is calculated using Net income attributable to common shareholders as the numerator and the average of Total shareholders' equity attributable to Atlanticus Holdings Corporation as of June 30, 2026 and March 31, 2026 as the denominator, annualized.
3) In our calculation of total accounts served, we include all accounts with account activity and accounts that have open lines of credit at the end of the referenced period.

Management Commentary

Jeff Howard, President and Chief Executive Officer of Atlanticus stated, "This month marks the 30th anniversary of the founding of our company. Over our 30 year history, we have funded over $53 billion in receivables, raised over $20 billion in capital, and weathered numerous economic cycles, regulatory changes, and competitive pressures. Most importantly, we have served over 23 million consumers and played a vital role in meeting their families' daily financial needs, often at times when others would not. We are proud of the role we have played for three decades in Empowering Better Financial Outcomes for millions of Everyday Americans.

This quarter also produced several financial milestones as we established records for new customers served of over 790,000, record total customers served of over 6.3 million, record revenue of $744.3 million, and record profits with net income of $47.4 million, or $2.50 per diluted common share. Managed receivables grew 126.2% year-over-year to just under $7 billion. Excluding the Mercury acquisition, managed receivables grew 26.2%, with contributions to growth coming from both our retail credit and legacy general purpose lines of business equally.

Finally, we once again exceeded our return on capital target, achieving a return on average equity of 28.1%. This is a direct result of our team's dedicated focus on unit level profitability, the growing contribution of the Mercury portfolio acquisition and related synergy realization, and the ongoing benefits of our scale.

Over our 30 year history our business has changed in many ways. But our culture of collective success and our commitment to our purpose have never wavered. It is our team, built on our aggregated experiences, that makes Atlanticus an industry leader. This team, combined with industry leading products, technology, and scale, have Atlanticus better positioned than at any other time in our history."

Financial Results	**For the Three Months Ended June 30,**		
(Dollars in thousands, except per share data)	**2026**	**2025**	**% Change**
Total operating revenue and other income	$744,314	$393,820	89.0%
Other non-operating income	9	343	nm
Total revenue and other income	744,323	394,163	88.8%
Interest expense	(123,431)	(53,684)	129.9%
Provision for credit losses	(1,038)	(1,382)	nm
Changes in fair value of loans	(396,280)	(216,777)	82.8%
Net margin	$223,574	$122,320	82.8%
Total operating expenses	($157,567)	($82,174)	91.7%
Net income	$49,721	$30,290	64.1%
Net income attributable to controlling interests	$49,719	$30,573	62.6%
Preferred stock and preferred unit dividends and discount accretion	(2,308)	(2,222)	nm
Net income attributable to common shareholders	$47,411	$28,351	67.2%
Net income attributable to common shareholders per common share—basic	$3.13	$1.87	67.4%
Net income attributable to common shareholders per common share—diluted	$2.50	$1.51	65.6%

**nm = not meaningful*

Managed Receivables

Managed receivables increased 126.2% to $6.9 billion, including $3.0 billion in receivables associated with our Mercury brand. Excluding receivables associated with Mercury, managed receivables grew by over $798 million from June 30, 2025 (an increase of 26.2%) driven by growth in both general purpose credit card and private label credit products offered by our bank partners. Total accounts served increased 57.8% to 6.3 million (inclusive of 1.2 million accounts served associated with our Mercury brand). The increased purchases of receivables arising in accounts issued by our bank partners to customers of our existing retail partners helped grow our private label credit receivables by $387.1 million in the twelve months ended June 30, 2026. Our general purpose credit card receivables grew by $3.5 billion during the twelve months ended June 30, 2026, including $3.0 billion of credit card receivables (as of June 30, 2026) associated with our acquisition of Mercury. Absent our Mercury transaction, our general purpose credit card receivables grew 27.0%. We continue to see growth in our private label products. We currently expect continued, but more modest, period-over-period quarterly growth in both our general purpose credit card receivables and retail receivables. This results from expected modest seasonal declines in purchases associated with a key retail partner, and anticipated temporary declines in the Mercury portfolio related to product, policy and pricing changes we implemented following the acquisition.

Total Operating Revenue and Other Income

Total operating revenue and other income consists of 1) interest income, finance charges and late fees on consumer loans, 2) other revenues associated with credit products, including annual and merchant fees and 3) interchange and servicing income on loan portfolios and other customer related fees.

We are currently experiencing continued period-over-period increases in private label credit and general purpose credit card receivables. Growth in these receivables includes general purpose credit card receivables associated with our acquisition, which accounted for $3.0 billion in receivables as of June 30, 2026. Growth in our general purpose credit card receivables is expected to continue throughout 2026 (offset marginally by run-off on our acquired Mercury portfolio) and to outpace growth in our private label credit receivables as we continue to expand our marketing efforts. We currently expect our private label credit receivable balance to modestly increase in 2026 as volumes of receivables acquisitions for which we have limited loss exposure due to agreements with retail partners, are expected to slow, offsetting general growth from other retail partners.

During the quarter ended June 30, 2026, total operating revenue and other income increased 89.0% to $744.3 million. This increase was primarily due to our acquisition of Mercury, which contributed $239.9 million to Total operating revenue and other income in the period. Adding to this was quarterly growth in both new credit card and private label customers serviced, the total accounts of which increased over 1,000,000 for the quarter ended June 30, 2026 (excluding those serviced accounts added as part of our acquisition of Mercury) compared to the same period in 2025. As part of our acquisition of Mercury, we continue to enact a number of product, policy and pricing changes on the acquired portfolio of general purpose credit card receivables. These changes are expected to result in meaningful additions to our Total operating revenue and other income in 2026 and beyond, although certain of the changes will take several quarters to be fully realized.

Interest Expense

Interest expense was $123.4 million for the quarter ended June 30, 2026, compared to $53.7 million for the quarter ended June 30, 2025. The higher expenses were primarily driven by increases in outstanding debt, in proportion to growth in our receivables, coupled with increases in the cost of borrowing.

Outstanding notes payable, net of unamortized debt issuance costs and discounts, associated with our private label credit and general purpose credit card platform (including those associated with the Mercury acquisition) increased to $5,553.6 million as of June 30, 2026, from $2,431.0 million as of June 30, 2025. This growth, period over period, included notes payable associated with our Mercury acquisition of $2,711.4 million as of June 30, 2026. Interest expense increased $69.7 million for the quarter ended June 30, 2026, when compared to the quarter ended June 30, 2025. The majority of this increase in interest expense relates to the addition of notes payable associated with the Mercury transaction with the remainder largely due to the addition of multiple credit facilities associated with growth in our card and loan receivables, coupled with the issuances of $400.0 million aggregate principal amount of 9.750% Senior Notes due 2030. We anticipate additional debt financing over the next few quarters as we continue to grow our receivables. As such, and when coupled with the interest expense associated with the acquired Mercury debt facilities, we expect our quarterly interest expense to increase compared to prior periods throughout 2026.

Changes in Fair Value of Loans

Changes in fair value of loans increased to $(396.3) million for the quarter ended June 30, 2026 compared to $(216.8) million for the quarter ended June 30, 2025. This increase was largely driven by increased losses in our Changes in fair value of loans due to charge-offs (net of recoveries) associated with a much larger receivable base. These charge-offs were offset somewhat by favorable assumption changes for the second quarter of 2026 which were largely due to general improvements in customers served added as well as increased valuation associated with our acquired Mercury portfolio. Additionally offsetting these losses was a $5.5 million gain related to a reduction in the fair value of contingent consideration and other purchase price adjustments associated with our acquisition of Mercury. Receivables acquired as part of our acquisition of Mercury were initially valued at a lower fair value than our existing portfolio of credit card receivables (as a percentage of the gross outstanding receivable). We have been enacting a number of product, policy and pricing changes on the Mercury portfolio of general purpose credit card receivables. As these changes are implemented, we have seen, and expect to continue to see, improvement in the fair value of these receivables.

We include asset performance degradation in our forecasts to reflect both changes in assumed asset level economics and the possibility of delinquency rates increasing in the near term (and the corresponding increase in charge-offs and decrease in payments) above the level that current trends would suggest.

Total Operating Expenses

Total operating expenses increased 91.7% in the quarter when compared to the same period in 2025, driven primarily, in all expense categories, by our acquisition of Mercury. Additional increases were noted due to increased marketing and solicitation costs associated with assisting our bank partners acquire new customers and variable servicing costs associated with growth in our receivables. We also experienced growth in the number of employees and related compensation expenses. Certain other expenditures related to occupancy and other third-party expenses, which are largely fixed in nature, also contributed to the increase for the quarter as compared to the second quarter of 2025.

We expect some continued increase in year over year salaries and benefits in 2026 compared to corresponding periods in 2025 resulting from the acquisition of Mercury and its associated employee base.

As many of our expenses associated with our card and loan servicing efforts are now variable based on the amount of underlying receivables, we would expect certain expenses to continue to grow in 2026 commensurate with planned growth in our receivables balances. These expenses will primarily relate to the variable costs card and loan servicing expenses associated with new receivable acquisitions.

In addition, as we continue to adjust our underwriting standards to reflect changes in fee and finance assumptions on new receivables, and allow for overall increases in the cost to successfully market to consumers, we expect period over period marketing costs for 2026 to increase relative to those experienced in 2025. The frequency and timing of increased marketing efforts could vary and are dependent on macroeconomic factors, response rates and approval rates.

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders increased 67.2% to $47.4 million, or $2.50 per diluted share for the quarter ended June 30, 2026.

Share Repurchases

We repurchased and retired 996 shares of our common stock in the quarter ended June 30, 2026.

About Atlanticus Holdings Corporation

Empowering Better Financial Outcomes for Everyday Americans

Atlanticus Holdings Corporation empowers better financial outcomes for Everyday Americans by enabling bank, retail, healthcare, and automotive partners to offer more inclusive financial solutions to consumers. Leveraging proprietary technology and advanced analytics, Atlanticus applies more than 30 years of operating experience, servicing over 23 million customers and more than $53 billion in consumer loans, to support lenders across a broad range of consumer credit products. These offerings span retail and healthcare private-label credit and general purpose credit cards, through an omnichannel platform, including strategic partnerships. Additionally, through its

Auto Finance subsidiary, Atlanticus helps address the specific needs of automotive dealerships and non-prime automotive finance organizations with a range of financing and service programs.

Atlanticus is guided by the principles of responsible lending, smart innovation, and expanding access to credit for consumers working toward a stronger financial future.

Forward-Looking Statements

This press release contains forward-looking statements that reflect the Company's current views with respect to, among other things, expectations for the benefits of the acquisition of Mercury, including expected synergies and future financial and operating results; the Company's plans, objectives, expectations and intentions for Mercury including the product, policy and pricing changes to the acquired portfolio and the timing and results related thereto; long-term growth plans and opportunities; operations; financial performance; amount and pace of growth of managed receivables; mix of receivables; fair value of receivables; debt financing; interest expense; operating expense; and marketing efforts. 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 integration of the Mercury business and the management of the Mercury portfolio; 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.

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Atlanticus Holdings Corporation and Subsidiaries
Consolidated Balance Sheets (Unaudited)
(Dollars in thousands)

	June 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents (including $225.8 million and $209.6 million associated with variable interest entities at June 30, 2026 and December 31, 2025, respectively)	$ 555,215	$ 621,093
Restricted cash and cash equivalents (including $51.2 million and $117.6 million associated with variable interest entities at June 30, 2026 and December 31, 2025, respectively)	89,965	146,314
Loans at fair value (including $6,466.1 million and $6,522.9 million associated with variable interest entities at June 30, 2026 and December 31, 2025, respectively)	6,658,748	6,647,882
Loans at amortized cost, net (including $3.7 million and $4.1 million of allowance for credit losses at June 30, 2026 and December 31, 2025, respectively; and $18.2 million and $20.1 million of deferred revenue at June 30, 2026 and December 31, 2025, respectively)	77,731	82,884
Property at cost, net of depreciation	10,867	12,589
Intangible assets	25,130	30,268
Operating lease right-of-use assets	13,886	15,104
Prepaid expenses and other assets, net	60,228	66,954
Total assets	$ 7,491,770	$ 7,623,088
Liabilities		
Accounts payable and accrued expenses	$ 275,313	$ 284,514
Operating lease liabilities	23,568	25,283
Notes payable, net (including $5,554.0 million and $5,739.1 million associated with variable interest entities at June 30, 2026 and December 31, 2025, respectively)	5,578,882	5,818,761
Senior notes, net	692,117	698,562
Income tax liability	184,414	152,138
Total liabilities	6,754,294	6,979,258
Commitments and contingencies		
Preferred stock, no par value, 10,000,000 shares authorized:		
Series A preferred stock, 400,000 shares issued and outstanding (liquidation preference - $40.0 million) at June 30, 2026 and December 31, 2025 (1)	40,000	40,000
Commitments and contingencies (Note 10)	–	–
Shareholders' Equity		
Series B preferred stock, no par value, 3,584,646 shares issued and outstanding at June 30, 2026 (liquidation preference - $89.6 million); 3,584,131 shares issued and outstanding at December 31, 2025 (liquidation preference - $89.6 million) (1)	–	–
Common stock, no par value, 150,000,000 shares authorized: 15,170,081 and 14,922,462 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	–	–
Paid-in capital	106,177	102,276
Retained earnings	595,702	506,424
Total shareholders’ equity attributable to Atlanticus Holdings Corporation	701,879	608,700
Noncontrolling interests	(4,403)	(4,870)
Total equity	697,476	603,830
Total liabilities, shareholders' equity and temporary equity	$ 7,491,770	$ 7,623,088

(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.

Atlanticus Holdings Corporation and Subsidiaries
Consolidated Statements of Income (Unaudited)
(Dollars in thousands, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue and other income:				
Consumer loans, including past due fees	$ 545,086	$ 276,350	$ 1,074,531	$ 524,005
Fees and related income on earning assets	150,878	94,285	261,307	172,626
Other revenue	48,350	23,185	88,010	42,062
Total operating revenue and other income	744,314	393,820	1,423,848	738,693
Other non-operating income	9	343	64	636
Total revenue and other income	744,323	394,163	1,423,912	739,329
Interest expense	(123,431)	(53,684)	(246,192)	(101,214)
Provision for credit losses	(1,038)	(1,382)	(2,638)	(2,450)
Changes in fair value of loans	(396,280)	(216,777)	(761,804)	(395,122)
Net margin	223,574	122,320	413,278	240,543
Operating expenses:				
Salaries and benefits	(27,250)	(13,381)	(55,896)	(28,884)
Card and loan servicing	(57,863)	(34,085)	(102,781)	(66,237)
Marketing and solicitation	(48,130)	(24,949)	(84,603)	(45,283)
Depreciation and amortization	(3,592)	(885)	(7,178)	(1,682)
Other	(20,732)	(8,874)	(37,965)	(17,443)
Total operating expenses	(157,567)	(82,174)	(288,423)	(159,529)
Income before income taxes	66,007	40,146	124,855	81,014
Income tax expense	(16,286)	(9,856)	(30,557)	(19,602)
Net income	49,721	30,290	94,298	61,412
Net (loss) income attributable to noncontrolling interests	(2)	283	(404)	681
Net income attributable to controlling interests	49,719	30,573	93,894	62,093
Preferred stock and preferred unit dividends and discount accretion	(2,308)	(2,222)	(4,616)	(5,796)
Net income attributable to common shareholders	$ 47,411	$ 28,351	$ 89,278	$ 56,297
Net income attributable to common shareholders per common share—basic	$ 3.13	$ 1.87	$ 5.93	$ 3.72
Net income attributable to common shareholders per common share—diluted	$ 2.50	$ 1.51	$ 4.74	$ 3.00

Additional Information

Additional trends and data with respect to our private label credit and general purpose credit card receivables can be found in our latest Form 10-Q filing with the Securities and Exchange Commission under Management's

Discussion and Analysis of Financial Condition and Results of Operations.

Calculation of Non-GAAP Financial Measures

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). In addition to financial measures presented in accordance with GAAP, we present managed receivables, total managed yield, combined principal net charge-offs, and fair value to total managed receivables ratio, all of which are non-GAAP financial measures. These non-GAAP financial measures aid 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 originations 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.

These non-GAAP financial measures are presented for supplemental informational purposes only. These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, GAAP financial measures. These non-GAAP financial measures may differ from the non-GAAP financial measures used by other companies. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures or the calculation of the non-GAAP financial measures are provided below for each of the fiscal periods indicated.

Additionally, we calculate average managed receivables based on the quarter-end balances.

The comparison of non-GAAP managed receivables to our GAAP financial statements requires an understanding that managed receivables reflect the face value of loans, interest and fees receivable without any consideration for potential loan losses or other adjustments to reflect fair value.

A reconciliation of Loans at fair value to Total managed receivables is as follows:

	At or for the Three Months Ended							
	2026		2025				2024	
(in Millions)	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30
Loans at fair value	$6,658.7	$6,452.1	$6,647.9	$6,350.0	$3,004.7	$2,668.5	$2,630.3	$2,511.6
Fair value mark against receivable (1)	232.5	272.8	305.5	250.1	41.8	37.8	94.5	142.5
Total managed receivables (2)	$6,891.2	$6,724.9	$6,953.4	$6,600.1	$3,046.5	$2,706.3	$2,724.8	$2,654.1
Fair value to Total managed receivables ratio (3)	96.6%	95.9%	95.6%	96.2%	98.6%	98.6%	96.5%	94.6%

(1) 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.
(2) Total managed receivables are equal to the aggregate unpaid gross balance of loans at fair value.
(3) The Fair value to Total managed receivable ratio is calculated using Loans at fair value as the numerator, and Total managed receivables,
as the denominator.

A reconciliation of our operating revenues and other income, net of finance and fee charge-offs, to comparable amounts used in our calculation of Total managed yield is as follows:

	At or for the Three Months Ended							
	2026		2025				2024	
(in Millions)	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30
Consumer loans, including past due fees	$535.5	$519.9	$528.7	$331.7	$267.2	$238.5	$242.1	$245.3
Fees and related income on earning assets	150.5	110.1	155.8	122.5	94.3	78.3	83.8	78.5
Other revenue	48.2	39.4	39.5	30.4	23.0	18.7	17.5	16.8
Total operating revenue and other income - CaaS Segment	734.2	669.4	724.0	484.6	384.5	335.5	343.4	340.6
Adjustments due to acceleration of merchant fee discount amortization under fair value accounting	(13.4)	9.6	(6.1)	(16.0)	(26.6)	0.1	0.7	(15.1)
Adjustments due to acceleration of annual fees recognition under fair value accounting	(7.1)	9.6	(8.3)	(24.4)	(8.8)	(4.2)	(10.5)	(8.0)
Removal of finance charge-offs	(131.4)	(114.7)	(114.1)	(78.8)	(68.2)	(70.0)	(64.9)	(60.6)
Total managed yield	$582.3	$573.9	$595.5	$365.4	$280.9	$261.4	$268.7	$256.9

The calculation of Combined principal net charge-offs is as

	At or for the Three Months Ended							
	2026		2025				2024	
(in Millions)	**Jun. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**	**Dec. 31**	**Sep. 30**
Charge-offs on loans at fair value	$433.3	$406.4	$377.9	$231.8	$211.8	$233.5	$213.1	$201.5
Finance charge-offs (1)	(131.4)	(114.7)	(114.1)	(78.8)	(68.2)	(70.0)	(64.9)	(60.6)
Combined principal net charge-offs	$301.9	$291.7	$263.8	$153.0	$143.6	$163.5	$148.2	$140.9

(1) Finance charge-offs are included as a component of our Changes in fair value of loans in the consolidated statements of income.

Source: Atlanticus Holdings Corp