



NEWS RELEASE

Atlanticus Reports Third Quarter 2025 Financial Results

2025-11-10

CONTINUED GROWTH AND TRANSFORMATIONAL ACQUISITION RESULT IN EXPANSION TO OVER 5.7 MILLION CONSUMERS(1) SERVED AND \$6.6 BILLION IN MANAGED RECEIVABLES(2)

ATLANTA, Nov. 10, 2025 (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 third quarter ended September 30, 2025. 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

Third Quarter 2025 Highlights (all comparisons to the Third Quarter 2024)

- Completed acquisition of Mercury Financial LLC ("Mercury") for approximately \$166.5 million in cash, adding \$3.2 billion in credit card receivables and 1.3 million new accounts served
- Managed receivables² increased 148.7% to \$6.6 billion
- Total operating revenue and other income increased 41.1% to \$495.3 million
- Net income attributable to common shareholders of \$22.7 million, or \$1.21 per diluted common share
- Adjusted net income attributable to common shareholders of \$27.9 million³, or \$1.483 per Adjusted diluted common share
- Return on average equity of 15.9%⁴ and adjusted return on average equity of 19.5%³

- Record purchase volume of \$1,192.1 million
- We serve over 5.7 million total accounts¹, an increase of over 2.0 million from prior year
- A record 730,000 new customers served during the quarter, excluding customers added as part of our acquisition of Mercury

1) 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.

2) 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.

3) Adjusted net income attributable to common shareholders, Adjusted diluted common share and Adjusted return on average equity, are non-GAAP financial measures. See Calculation of Non-GAAP Financial Measures for important additional information.

4) Return on average equity is calculated using Net income attributable to common shareholders as the numerator and the average of Total equity as of September 30, 2025 and June 30, 2025 as the denominator, annualized.

Management Commentary

Jeff Howard, President and Chief Executive Officer of Atlanticus stated, “This quarter, we produced significant organic growth and profitability, and completed a transformational acquisition. The acquisition of Mercury Financial substantially increases our scale, enhances our technology, adds to our origination capabilities, and brings on new team members to facilitate the continued growth of our business as we pursue our goal of Empowering Better Financial Outcomes for Everyday Americans.

“The integration of Mercury is ahead of plan, with portfolio management activities under way and a focus on expense reduction and maximizing efficiencies across the Company. We are excited about the value-creating opportunities of the acquired portfolio and operating platform and are well on our way to creating ONE Atlanticus, leveraging the scale and capabilities that come with managing over \$6.6 billion in receivables and serving almost 6 million consumers.

“Excluding the acquisition, we saw meaningful growth and the continued achievement of profitability targets across our platform with an adjusted return on average equity of 19.5%. This includes record account origination volumes on behalf of our bank partners, adding over 730,000 new accounts served and funding a record \$1.2 billion in purchase volume.

“Subsequent to quarter end, we also acquired approximately \$165 million of retail credit receivables through our acquisition of the Vive portfolio from PROG Holdings. This portfolio adds diversification to our existing retail credit

managed receivables and deepens relationships with some of our largest retail credit partners. Additionally, this acquisition aligns us with the seller for future new client acquisitions.

“This was a momentous quarter for our team and our shareholders as we continue to serve everyday Americans.”

| Financial Results | For the Three Months Ended September 30, | | |
|---|---|------------|-------------|
| | 2025 | 2024 | % Change |
| <i>(Dollars in thousands, except per share data)</i> | | | |
| Total operating revenue | \$495,292 | \$350,954 | 41.1% |
| Other non-operating revenue | (616) | 270 | nm |
| Total revenue | 494,676 | 351,224 | 40.8% |
| Interest expense | (75,464) | (42,492) | 77.6% |
| Provision for credit losses | (1,549) | (4,633) | nm |
| Changes in fair value of loans | (276,851) | (203,739) | 35.9% |
| Net margin | \$140,812 | \$100,360 | 40.3% |
| Total operating expenses | (\$108,333) | (\$63,074) | 71.8% |
| Net income | \$24,588 | \$29,189 | (15.8%) |
| Net income attributable to controlling interests | \$24,977 | \$29,543 | (15.5%) |
| Preferred stock and preferred unit dividends and discount accretion | (2,307) | (6,316) | nm |
| Net income attributable to common shareholders | \$22,670 | \$23,227 | (2.4%) |
| Net income attributable to common shareholders per common share— basic | \$1.50 | \$1.58 | (5.1%) |
| Net income attributable to common shareholders per common share— diluted | \$1.21 | \$1.27 | (4.7%) |

*nm = not meaningful

Managed Receivables

Managed receivables increased 148.7% to \$6.6 billion, including \$3.2 billion in receivables added as part of the Mercury acquisition. Absent the Mercury acquisition, managed receivables grew by \$786.1 million from September 30, 2024 (an increase of 29.6%) driven by growth in private label credit and general purpose credit card products offered by our bank partners. Total accounts served increased 21.4% to 4.4 million (excluding 1.3 million serviced accounts added as part of the Mercury acquisition). 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 \$520.0 million in the twelve months ended September 30, 2025. Our general purpose credit card receivables grew by \$3.4 billion during the twelve months ended September 30, 2025, including \$3.2 billion of credit card receivables that were part of our acquisition of Mercury. One of our larger merchant partners recently expanded their relationships with us and our bank partner, which was the primary driver of growth in our private label receivables. The seasonal expansion with this retail partner tends to peak in the second and third quarters and declines in the fourth quarter. Despite this seasonal decline and natural reduction in the acquired Mercury portfolio, we expect continued period-over-period annual growth in our managed receivables.

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 fees on 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 of Mercury, which added \$3,159.9 million in receivables as of September 30, 2025 and contributed \$49.9 million to the period ending Total operating revenue and other income. We expect net period-over-period growth in our total interest income and related fees for these operations for the remainder of 2025 and into 2026. In both 2024 and 2025, we experienced higher growth rates for our private label credit receivables than for our general purpose credit card receivables (absent our acquisition of Mercury). As our private label credit receivables growth is typically strongest during the second and third quarters of each year, we expect some seasonal contraction in that portfolio in the fourth quarter of 2025. Growth in our general purpose credit card receivables is expected to continue for the remainder of the year as we continue to expand our marketing efforts.

During the quarter ended September 30, 2025, total operating revenue and other income increased 41.1% to \$495.3 million. This increase was primarily due to quarterly growth in both new credit card and private label customers serviced, the total accounts of which increased over 400,000 for the quarter ended September 30, 2025 (excluding those serviced accounts added as part of our acquisition of Mercury) and also due to the recognition of merchant fees associated with new private label receivable acquisitions, which increased \$8.7 million for the three months ended September 30, 2025, from the same period in 2024. For our general purpose credit card receivables, we experienced strong growth in finance and fee income (increasing \$73.5 million for the three months ended September 30, 2025, compared to the same periods in 2024) resulting from growth in the acquisition of receivables and our acquisition of Mercury. As part of our acquisition of Mercury, we are currently enacting a number of product, policy and pricing changes on the newly acquired portfolio of general purpose credit card receivables.

These changes should 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 \$75.5 million for the quarter ended September 30, 2025, compared to \$42.5 million for the quarter ended September 30, 2024. 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 increased to \$5,297.3 million as of September 30, 2025, from \$1,976.8 million as of September 30, 2024. This growth, period over period, included notes payable associated with our Mercury acquisition of \$2,813.0 million as of September 30, 2025. Interest expense increased \$33.0 million for the three months ended September 30, 2025, when compared to the three months ended September 30, 2024. The majority of this increase in interest expense relates to the addition of multiple credit facilities in 2024 and 2025 associated with growth in our card and loan receivables, coupled with ongoing sales of our 9.25% Senior Notes due 2029 and our recent issuance of \$400.0 million aggregate principal amount of 9.750% Senior Notes due 2030. Recent increases in the effective interest rates on debt have increased our interest expense as we have raised additional capital (or replaced existing facilities) over the last two years. We anticipate additional debt financing over the next few quarters as we continue to grow coupled with higher effective interest rates on new debt compared to rates on maturing debt. As such, and when coupled with the interest expense associated with the acquired Mercury debt facilities, we expect our quarterly interest expense for these operations to increase compared to prior periods.

Changes in Fair Value of Loans

Changes in fair value of loans increased to \$276.9 million for the quarter ended September 30, 2025 compared to \$203.7 million for the quarter ended September 30, 2024. This increase was largely driven by growth in our acquisition and relative mix of receivables, offset marginally by favorable changes in the fair value assessment for receivables due to favorable changes in the underlying performance in the form of lower delinquencies and higher net returns. 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 are currently enacting a number of product, policy and pricing changes on the Mercury portfolio of general purpose credit card receivables. Once implemented, we would expect to see continued 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. Based on observed asset stabilization, implementation of product, policy, and pricing changes and general improvements in U.S. economic expectations due to the improved inflation environment, some expected degradation has been removed in recent periods. Tightened underwriting standards have resulted in improved overall credit performance of our acquired receivables. When coupled with those existing assets negatively impacted by inflation gradually becoming a smaller percentage of the outstanding portfolio, we expect to see overall improvements in the measured fair value of our portfolios of acquired receivables.

Total Operating Expenses

Total operating expenses increased 71.8% in the quarter when compared to the same period in 2024, driven primarily by increases in marketing and solicitation costs associated with assisting our bank partners to acquire new customers, variable servicing costs associated with growth in our receivables and costs associated with the implementation of product, policy and pricing changes. Additionally, and coupled with our acquisition of Mercury, we experienced growth in the number of employees and continue to experience inflationary compensation pressure for all employees. 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 third quarter of 2024. As part of our acquisition of Mercury, we also incurred approximately \$2.5 million of acquisition costs and approximately \$4.3 million of severance costs.

We expect some continued increase in salaries and benefits in 2025 compared to corresponding periods in 2024 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 2025 and 2026 commensurate with growth in our receivables balances. These expenses will primarily relate to the variable costs of marketing efforts and 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 2025 and into 2026 to increase relative to those experienced in 2024, although the frequency and timing of increased marketing efforts could vary and are dependent on macroeconomic factors such as national unemployment rates and federal funds rates.

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders decreased 2.4% to \$22.7 million, or \$1.21 per diluted share for

the quarter ended September 30, 2025. When adjusted for certain costs associated with our acquisition of Mercury, Adjusted net Income attributable to common shareholders increased 20.0% to \$27.9 million, or \$1.48 Adjusted net income attributable to common shareholders per common share – diluted. See “Calculation of Non-GAAP Financial Measures” below for a reconciliation between our GAAP Net Income Attributable to Common Shareholders and our Adjusted Net income attributable to common shareholders as well as the corresponding calculations of net income attributable to common share – diluted.

Share Repurchases

We repurchased and retired 427 shares of our common stock in the quarter ended September 30, 2025.

About Atlanticus Holdings Corporation

Empowering Better Financial Outcomes for Everyday Americans

Atlanticus™ technology enables bank, retail, and healthcare partners to offer more inclusive financial services to everyday Americans through the use of proprietary technology and analytics. We apply the experience gained and infrastructure built from servicing over 20 million customers and \$48 billion in consumer loans over more than 25 years of 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 Auto Finance subsidiary, Atlanticus serves the individual needs of automotive dealers and automotive non-prime financial organizations with multiple financing and service programs.

Forward-Looking Statements

This press release contains forward-looking statements that reflect the Company's current views with respect to, among other things, the benefits of the acquisition of Mercury, included 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 results therefrom; client acquisitions from PROG Holdings; its business; long-term growth plans and opportunities; operations; return on capital; financial performance; revenue and other income; amount and pace of growth of managed receivables; mix of receivables; underwriting approach; total interest income and related fees and charges; debt financing; liquidity; interest rates; interest expense; operating expense; marketing efforts and fair value of receivables. 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, 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)

| | September 30, 2025 | December 31, 2024 |
|--|--------------------------|-------------------------|
| Assets | | |
| Unrestricted cash and cash equivalents (including \$170.5 million and \$140.2 million associated with variable interest entities at September 30, 2025 and December 31, 2024, respectively) | \$425,023 | \$375,416 |
| Restricted cash and cash equivalents (including \$73.6 million and \$98.8 million associated with variable interest entities at September 30, 2025 and December 31, 2024, respectively) | 100,914 | 124,220 |
| Loans at fair value (including \$6,200.6 million and \$2,542.9 million associated with variable interest entities at September 30, 2025 and December 31, 2024, respectively) | 6,350,009 | 2,630,274 |
| Loans at amortized cost, net (including \$4.6 million and \$4.9 million of allowance for credit losses at September 30, 2025 and December 31, 2024, respectively; and \$21.5 million and \$19.8 million of deferred revenue at September 30, 2025 and December 31, 2024, respectively) | 85,004 | 84,332 |
| Property at cost, net of depreciation | 13,458 | 10,519 |
| Intangible assets | 31,889 | - |
| Operating lease right-of-use assets | 15,564 | 13,878 |
| Prepaid expenses and other assets | 57,871 | 32,068 |
| Total assets | \$7,079,732 | \$3,270,707 |
| Liabilities | | |
| Accounts payable and accrued expenses | \$253,081 | \$72,088 |
| Operating lease liabilities | 25,924 | 24,188 |
| Notes payable, net (including \$5,297.8 million and \$2,128.0 million associated with variable interest entities at September 30, 2025 and December 31, 2024, respectively) | 5,332,680 | 2,199,448 |
| Senior notes, net | 702,376 | 281,552 |
| Income tax liability | 140,862 | 114,068 |
| Total liabilities | 6,454,923 | 2,691,344 |
| 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 September 30, 2025 and December 31, (1) | 40,000 | 40,000 |
| Class B preferred units issued to noncontrolling interests | - | 50,000 |
| Shareholders' Equity | | |
| Series B preferred stock, no par value, 3,563,762 shares issued and outstanding at September 30, 2025 (liquidation preference - \$89.1 million); 3,301,179 shares issued and outstanding at December 31, 2024 (liquidation preference - \$82.5 million) (1) | - | - |
| Common stock, no par value, 150,000,000 shares authorized: 15,127,014 and 14,904,192 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively | - | - |
| Paid-in capital | 115,749 | 98,278 |
| Retained earnings | 473,595 | 394,628 |
| Total shareholders' equity attributable to Atlanticus Holdings Corporation | 589,344 | 492,906 |
| Noncontrolling interests | (4,535) | (3,543) |
| Total equity | 584,809 | 489,363 |

Total liabilities, shareholders' equity and temporary equity

\$7,079,732

\$3,270,707

(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 September 30, | | For the Nine Months Ended September 30, | |
|---|--|-----------|---|-----------|
| | 2025 | 2024 | 2025 | 2024 |
| Revenue and other income: | | | | |
| Consumer loans, including past due fees | \$341,163 | \$255,389 | \$865,168 | \$728,112 |
| Fees and related income on earning assets | 123,575 | 78,572 | 296,201 | 185,983 |
| Other revenue | 30,554 | 16,993 | 72,616 | 42,674 |
| Total operating revenue and other income | 495,292 | 350,954 | 1,233,985 | 956,769 |
| Other non-operating (loss) income | (616) | 270 | 20 | 1,184 |
| Total revenue and other income | 494,676 | 351,224 | 1,234,005 | 957,953 |
| Interest expense | (75,464) | (42,492) | (176,678) | (115,503) |
| Provision for credit losses | (1,549) | (4,633) | (3,999) | (9,323) |
| Changes in fair value of loans | (276,851) | (203,739) | (671,973) | (549,161) |
| Net margin | 140,812 | 100,360 | 381,355 | 283,966 |
| Operating expenses: | | | | |
| Salaries and benefits | (18,196) | (12,299) | (47,080) | (37,584) |
| Card and loan servicing | (39,024) | (28,069) | (105,261) | (82,589) |
| Marketing and solicitation | (35,301) | (14,848) | (80,584) | (38,848) |
| Depreciation and amortization | (1,491) | (656) | (3,173) | (1,963) |
| Other | (14,321) | (7,202) | (31,764) | (24,272) |
| Total operating expenses | (108,333) | (63,074) | (267,862) | (185,256) |
| Income before income taxes | 32,479 | 37,286 | 113,493 | 98,710 |
| Income tax expense | (7,891) | (8,097) | (27,493) | (19,575) |
| Net income | 24,588 | 29,189 | 86,000 | 79,135 |
| Net loss attributable to noncontrolling interests | 389 | 354 | 1,070 | 858 |
| Net income attributable to controlling interests | 24,977 | 29,543 | 87,070 | 79,993 |
| Preferred stock and preferred unit dividends and discount accretion | (2,307) | (6,316) | (8,103) | (18,916) |
| Net income attributable to common shareholders | \$22,670 | \$23,227 | \$78,967 | \$61,077 |
| Net income attributable to common shareholders per common share—basic | \$1.50 | \$1.58 | \$5.22 | \$4.15 |
| Net income attributable to common shareholders per common share—diluted | \$1.21 | \$1.27 | \$4.21 | \$3.35 |

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 filed 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, fair value to total managed receivables ratio, adjusted net income attributable to common shareholders, adjusted diluted common share and adjusted return on average equity, 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.

Adjusted net income attributable to common shareholders, adjusted common share and adjusted return on average equity provide the value of these measures after adjusting for the financial impact of the Mercury acquisition.

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:

| (in Millions) | At or for the Three Months Ended | | | | | | | |
|---|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2025 | | | 2024 | | | | 2023 |
| | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 |
| Loans at fair value | \$6,350.0 | \$3,004.7 | \$2,668.5 | \$2,630.3 | \$2,511.6 | \$2,277.4 | \$2,150.6 | \$2,173.8 |
| Fair value mark against receivable (1) | 250.1 | 41.8 | 37.8 | 94.5 | 142.5 | 137.7 | 167.5 | 237.5 |
| Total managed receivables (2) | \$6,600.1 | \$3,046.5 | \$2,706.3 | \$2,724.8 | \$2,654.1 | \$2,415.1 | \$2,318.1 | \$2,411.3 |
| Fair value to Total managed receivables ratio (3) | 96.2% | 98.6% | 98.6% | 96.5% | 94.6% | 94.3% | 92.8% | 90.2% |

(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 receivables ratio is calculated using Loans at fair value as the numerator, and Total managed receivables, as the denominator.

A reconciliation of our Total operating revenue and other income - CaaS Segment, to comparable amounts used in our calculation of Total managed yield is as follows:

| (in Millions) | At or for the Three Months Ended | | | | | | | |
|---|----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| | 2025 | | | 2024 | | | | 2023 |
| | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 |
| Consumer loans, including past due fees | \$331.7 | \$267.2 | \$238.5 | \$242.1 | \$245.3 | \$232.1 | \$220.0 | \$214.6 |
| Fees and related income on earning assets | 122.5 | 94.3 | 78.3 | 83.8 | 78.5 | 59.5 | 47.9 | 71.7 |
| Other revenue | 30.4 | 23.0 | 18.7 | 17.5 | 16.8 | 13.6 | 11.7 | 12.0 |
| Total operating revenue and other income - CaaS Segment | 484.6 | 384.5 | 335.5 | 343.4 | 340.6 | 305.2 | 279.6 | 298.3 |
| Adjustments due to acceleration of merchant fee discount amortization under fair value accounting | (16.0) | (26.6) | 0.1 | 0.7 | (15.1) | (12.6) | 4.0 | 6.5 |
| Adjustments due to acceleration of annual fees recognition under fair value accounting | (24.4) | (8.8) | (4.2) | (10.5) | (8.0) | 1.1 | 10.1 | (12.6) |
| Removal of finance charge-offs | (78.8) | (68.2) | (70.0) | (64.9) | (60.6) | (62.9) | (63.7) | (59.5) |
| Total managed yield | \$365.4 | \$280.9 | \$261.4 | \$268.7 | \$256.9 | \$230.8 | \$230.0 | \$232.7 |

The calculation of Combined principal net charge-offs is as follows:

| (in Millions) | At or for the Three Months Ended | | | | | | | |
|------------------------------------|----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| | 2025 | | | 2024 | | | 2023 | |
| | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 | Sep. 30 | Jun. 30 | Mar. 31 | Dec. 31 |
| Charge-offs on loans at fair value | \$231.8 | \$211.8 | \$233.5 | \$213.1 | \$201.5 | \$217.0 | \$231.7 | \$215.2 |
| Finance charge-offs (1) | (78.8) | (68.2) | (70.0) | (64.9) | (60.6) | (62.9) | (63.7) | (59.5) |
| Combined principal net charge-offs | \$153.0 | \$143.6 | \$163.5 | \$148.2 | \$140.9 | \$154.1 | \$168.0 | \$155.7 |

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

A reconciliation of our Net income attributable to common shareholders to Adjusted net income attributable to common shareholders and Net income attributable to common shareholders per common share—basic and Net income attributable to common shareholders per common share—diluted to Adjusted net income attributable to common shareholders per common share—basic and Adjusted net income attributable to common shareholders per common share—diluted, is as follows:

| (in Millions, except per share data) | Net income attributable to common shareholders | Earnings per common share |
|--|--|---------------------------|
| Net income attributable to common shareholders | \$ 22,670 | \$ 1.50 |
| Adjustment for transaction expenses | 2,531 | |
| Adjustment for severance costs | 4,330 | |
| Income tax expense on adjustments | (1,647) | |
| Total transaction related expenses, net of tax | 5,214 | 0.34 |
| Adjusted net income attributable to common shareholders | \$ 27,884 | |
| Adjusted net income attributable to common shareholders per common share—basic | \$ | 1.84 |
| Adjusted net income attributable to common shareholders per common share—diluted | \$ | 1.48 |

Return on average equity is calculated using Net income attributable to common shareholders as the numerator and the average of Total equity as of September 30, 2025 and June 30, 2025 as the denominator, annualized. A reconciliation of our Return on average equity to Adjusted return on average equity, is as follows:

| | |
|--|---------------------|
| Return on average equity | 15.9% |
| Transaction related expenses, net of tax (above) | <u>3.6%</u> |
| Adjusted return on average equity | <u><u>19.5%</u></u> |

Source: Atlanticus Holdings Corp