NEWS RELEASE

Atlanticus Reports Third Quarter 2026 Financial Results

2026-11-05

Third Quarter Earnings of $4.87 Per Diluted Common Share Resulting from Continued Strong Asset-Level Performance Coupled with Sale of Auto Finance Business and Mercury Word Mark

ATLANTA, Nov. 05, 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 third quarter ended September 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

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

- Net income attributable to common shareholders of $93.0 million, an increase of 310.4%, or $4.87 per diluted common share
- Adjusted net income attributable to common shareholders of $57.0 million, or $3.00 per diluted common share1
- Total operating revenue and other income increased 60.1% to $775.9 million
- Managed receivables2 of $7.1 billion, an increase of 8.0%
- Return on average equity of 49.2%3 and Adjusted return on average equity of 30.1%1
- Purchase volume of $1,770.7 million, an increase of 48.5%

- Total accounts served of 6.7 million4

1)*Adjusted net income attributable to common shareholders, Adjusted net income attributable to common shareholders per common share (basic and diluted) and Adjusted return on average equity are non-GAAP financial measures. See Calculation of Non-GAAP Financial Measures for important additional information.*
2) Managed receivables is a non-GAAP financial measure. See Calculation of Non-GAAP Financial Measures for important additional information.
3) 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 September 30, 2026 and June 30, 2026 as the denominator, annualized.
4) 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, stated, "We are pleased to report another record-setting quarter, with records for earnings, revenue, number of new customers served, managed receivables and purchase and payment activity. These milestones are a direct result of our team's focus on executing our strategy and continually striving to fulfill our purpose of Empowering Better Financial Outcomes for Everyday Americans.

For the quarter, we earned $4.87 per diluted common share, or $3.00 per diluted common share, when adjusting for one-time transactions. We continue to see attractive returns across our platform as we invest in additional marketing opportunities, deepen retail partner relationships, and continue to realize the benefits of our ongoing integration of the Mercury acquisition last year."

Mr. Howard continued, "We also, once again, exceeded our return on capital target of 20%. On an adjusted basis, our return on average equity for the quarter was 30.1%. This was driven by our dedicated focus on unit-level profitability, the growing contribution of the Mercury acquisition, and continued resilience of the customers we serve."

Financial Results *(Dollars in thousands, except per share data)*	For the Three Months Ended September 30, 2026	 2025	 % Change
Total operating revenue and other income	$775,934	$484,646	60.1%
Other non-operating income	(85)	7	nm
Total revenue and other income	775,849	484,653	60.1%
Interest expense	(118,018)	(75,007)	57.3%
Provision for credit losses	(1,466)	(555)	nm
Changes in fair value of loans	(418,308)	(276,851)	51.1%
Net margin	$238,057	$132,240	80.0%
Gain on sale of word mark	27,500	–	∞
Total operating expenses	($161,892)	($102,665)	57.7%
Net income from continuing operations	$78,420	$22,503	248.5%
Net income from discontinued operations	17,006	2,085	nm
Net income	$95,426	$24,588	288.1%
Net income attributable to controlling interests	$95,350	$24,977	281.8%
Preferred stock and preferred unit dividends and discount accretion	(2,323)	(2,307)	nm
Net income attributable to common shareholders	$93,027	$22,670	310.4%
Net income attributable to common shareholders per common share—basic	$6.11	$1.50	307.3%
Net income attributable to common shareholders per common share—diluted	$4.87	$1.21	302.5%

**nm = not meaningful*

Managed Receivables

Managed receivables increased 8.0% to $7.1 billion. Managed receivables grew by over $528 million from September 30, 2025, driven by growth in both general purpose credit card and private label credit products offered by our bank partners. Total accounts served increased 18.1% to 6.7 million. 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 $261.5 million in the twelve months ended September 30, 2026. Our general purpose credit card receivables grew by $266.7 million during the twelve months ended September 30, 2026. We currently expect continued period-over-period quarterly growth in our general purpose credit card 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 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 $3.1 billion in receivables as of September 30, 2026. Growth in our general purpose credit card receivables is expected to continue throughout 2026 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 September 30, 2026, total operating revenue and other income increased 60.1% to $775.9 million. This increase was primarily due to our acquisition of Mercury, which contributed $205.3 million of growth in Total operating revenue and other income when compared to the third quarter of 2025. Adding to this was quarterly growth in both new credit card and private label customers serviced, the total active accounts of which increased 847 thousand as of September 30, 2026 compared to September 30, 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 for the remainder of 2026 and beyond, although certain of the changes will take several quarters to be fully realized.

Interest Expense

Interest expense was $118.0 million for the quarter ended September 30, 2026, compared to $75.0 million for the quarter ended September 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 $5,747.1 million as of September 30, 2026, from $5,297.3 million as of September 30, 2025. Interest expense increased $43.0 million for the quarter ended September 30, 2026, when compared to the quarter ended September 30, 2025. The majority of this increase in interest expense relates to the addition of Mercury and its associated debt, growth in multiple credit facilities associated with expansion of our card and loan receivables, and the issuance of $400.0 million aggregate principal amount of 9.750% Senior Notes due 2030. We anticipate additional debt financing 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 $(418.3) million for the quarter ended September 30, 2026 compared to $(276.9) million for the quarter ended September 30, 2025. This increase was largely driven by increased losses from changes in the fair value of loans due to charge-offs (net of recoveries) associated with a larger receivable base. These charge-offs were offset somewhat by favorable assumption changes which were largely due to improvements in customers served and continued favorable performance of our acquired Mercury portfolio. Additionally offsetting these losses was an $8.0 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 57.7% 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 in acquiring 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 third 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 of 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 310.4% to $93.0 million, or $4.87 per diluted share for the quarter ended September 30, 2026. Results for the quarter include net income from discontinued operations of $17.0 million, or $0.88 per diluted share (inclusive of a $20.1 million pre-tax gain on the sale of our Auto Finance business), as well as a $27.5 million gain associated with the sale of the MERCURY word mark.

Sale of Auto Finance Business and MERCURY Word Mark

On September 16, 2026, we completed the sale of CARS Acquisition, LLC (“CAR”) and its subsidiaries, which comprised 100% of our former Auto Finance segment, for total consideration of approximately $71.2 million, consisting of approximately $56.2 million in cash and a $15.0 million seller note. We recognized a pre-tax gain on the sale of $20.1 million. Accordingly, the historical results of CAR are presented as discontinued operations and have been excluded from continuing operations for all periods presented.

On September 30, 2026, we completed a sale and assignment of the MERCURY word mark and certain related intellectual property rights for $27.5 million, which is included in Gain on sale of word mark. The transaction did not include the underlying consumer credit card receivables associated with the Mercury-branded program, which remain with the Company. As part of the transaction, we received a non-exclusive, royalty-free license to, on behalf of our bank partner, solicit new credit card consumers using the MERCURY mark for a period of 12 months following the sale and to continue using the mark for servicing purposes for up to five additional years.

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, and healthcare 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 $55 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.

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; agreements with retail partners; 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; the rebranding of the Mercury program; 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.

Contact:

Investor Relations

investors@atlanticus.com

Dan Mauch, ***daniel.mauch@atlanticus.com***

Sara Savarino, ***sara.savarino@atlanticus.com***

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

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents (including $241.4 million and $209.6 million associated with variable interest entities at September 30, 2026 and December 31, 2025, respectively)	$ 600,502	$ 618,616
Restricted cash and cash equivalents (including $105.6 million and $117.6 million associated with variable interest entities at September 30, 2026 and December 31, 2025, respectively)	135,562	146,314
Loans at fair value (including $6,682.8 million and $6,522.9 million associated with variable interest entities at September 30, 2026 and December 31, 2025, respectively)	6,903,165	6,647,882
Property at cost, net of depreciation	9,924	12,496
Intangible assets	22,561	30,268
Operating lease right-of-use assets	12,763	13,639
Prepaid expenses and other assets, net	100,505	66,585
Assets of discontinued operations	–	87,288
Total assets	$ 7,784,982	$ 7,623,088
Liabilities		
Accounts payable and accrued expenses	$ 248,495	$ 273,959
Operating lease liabilities	22,395	23,792
Notes payable, net (including $5,747.6 million and $5,739.1 million associated with variable interest entities at September 30, 2026 and December 31, 2025, respectively)	5,752,328	5,793,876
Senior notes, net	699,231	698,562
Income tax liability	214,966	152,121
Liabilities of discontinued operations	–	36,948
Total liabilities	6,937,415	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 September 30, 2026 and December 31, 2025 (1)	40,000	40,000
Shareholders' Equity		
Series B preferred stock, no par value, 3,615,022 shares issued and outstanding at September 30, 2026 (liquidation preference - $90.4 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: 15,315,071 and 14,922,462 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	–	–
Paid-in capital	123,165	102,276
Retained earnings	688,729	506,424
Total shareholders’ equity attributable to Atlanticus Holdings Corporation	811,894	608,700
Noncontrolling interests	(4,327)	(4,870)
Total equity	807,567	603,830
Total liabilities, shareholders' equity and temporary equity	$ 7,784,982	$ 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 September 30,		For the Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue and other income:				
Consumer loans, including past due fees	$ 564,031	$ 331,735	$ 1,619,440	$ 837,442
Fees and related income on earning assets	159,650	122,544	420,287	295,129
Other revenue	52,253	30,367	139,847	72,077
Total operating revenue and other income	775,934	484,646	2,179,574	1,204,648
Other non-operating income	(85)	7	(21)	20
Total revenue and other income	775,849	484,653	2,179,553	1,204,668
Interest expense	(118,018)	(75,007)	(363,493)	(175,153)
Provision for credit losses	(1,466)	(555)	(2,662)	(769)
Changes in fair value of loans	(418,308)	(276,851)	(1,180,112)	(671,973)
Net margin	238,057	132,240	633,286	356,773
Gain on sale of word mark	27,500	–	27,500	–
Operating expenses:				
Salaries and benefits	(25,622)	(16,863)	(79,062)	(43,282)
Card and loan servicing	(58,067)	(35,792)	(153,972)	(95,413)
Marketing and solicitation	(57,460)	(35,247)	(141,964)	(80,486)
Depreciation and amortization	(3,576)	(1,472)	(10,717)	(3,116)
Other	(17,167)	(13,291)	(52,764)	(28,510)
Total operating expenses	(161,892)	(102,665)	(438,479)	(250,807)
Income from continuing operations before income taxes	103,665	29,575	222,307	105,966
Income tax expense from continuing operations	(25,245)	(7,072)	(54,018)	(25,426)
Net income from continuing operations	78,420	22,503	168,289	80,540
Net income from discontinued operations	17,006	2,085	21,435	5,460
Net income	95,426	24,588	189,724	86,000
Net loss (income) attributable to noncontrolling interests	(76)	389	(480)	1,070
Net income attributable to controlling interests	95,350	24,977	189,244	87,070
Preferred stock and preferred unit dividends and discount accretion	(2,323)	(2,307)	(6,939)	(8,103)
Net income attributable to common shareholders	$ 93,027	$ 22,670	$ 182,305	$ 78,967
Net income attributable to common shareholders per common share—basic	$ 6.11	$ 1.50	$ 12.06	$ 5.22
Net income attributable to common shareholders per common share—diluted	$ 4.87	$ 1.21	$ 9.62	$ 4.21

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 and certain adjusted measures, which are non-GAAP financial measures 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 net income attributable to common shareholders per common share (basic and diluted) and Adjusted return on average equity, all of which are non-GAAP financial measures. Our managed receivables-based 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 net income attributable to common shareholders per common share (basic and diluted) and Adjusted return on average equity provide the value of these measures after adjusting for the financial impact of the sale of our CAR operations and our sale of the MERCURY word mark. Management believes these adjusted measures are useful to investors because they exclude the gains on these transactions, which are not part of our ongoing operations, and facilitate comparison of our results across periods.

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)	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31
Loans at fair value	$ 6,903.2	$ 6,658.7	$ 6,452.1	$ 6,647.9	$ 6,350.0	$ 3,004.7	$ 2,668.5	$2,630.3
Fair value mark against receivable (1)	225.2	232.5	272.8	305.5	250.1	41.8	37.8	94.5
Total managed receivables (2)	$ 7,128.4	$ 6,891.2	$ 6,724.9	$ 6,953.4	$ 6,600.1	$ 3,046.5	$ 2,706.3	$2,724.8
Fair value to Total managed receivables ratio (3)	96.8%	96.6%	95.9%	95.6%	96.2%	98.6%	98.6%	96.5%

(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 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)	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31
Consumer loans, including past due fees	$ 564.0	$ 535.5	$ 519.9	$ 528.7	$ 331.7	$ 267.2	$ 238.5	$ 242.1
Fees and related income on earning assets	159.7	150.5	110.1	155.8	122.5	94.3	78.3	83.8
Other revenue	52.2	48.2	39.4	39.5	30.4	23.0	18.7	17.5
Total operating revenue and other income - CaaS Segment	775.9	734.2	669.4	724.0	484.6	384.5	335.5	343.4
Adjustments due to acceleration of merchant fee discount amortization under fair value accounting	(15.1)	(13.4)	9.6	(6.1)	(16.0)	(26.6)	0.1	0.7
Adjustments due to acceleration of annual fees recognition under fair value accounting	(19.5)	(7.1)	9.6	(8.3)	(24.4)	(8.8)	(4.2)	(10.5)
Removal of finance charge-offs	(130.1)	(131.4)	(114.7)	(114.1)	(78.8)	(68.2)	(70.0)	(64.9)
Total managed yield	$ 611.2	$ 582.3	$ 573.9	$ 595.5	$ 365.4	$ 280.9	$ 261.4	$ 268.7

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

	At or for the Three Months Ended							
	2026			2025				2024
(in millions)	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31
Charge-offs on loans at fair value	$ 433.6	$ 433.3	$ 406.4	$ 377.9	$ 231.8	$ 211.8	$ 233.5	$ 213.1
Finance charge-offs (1)	(130.1)	(131.4)	(114.7)	(114.1)	(78.8)	(68.2)	(70.0)	(64.9)
Combined principal net charge-offs	$ 303.5	$ 301.9	$ 291.7	$ 263.8	$ 153.0	$ 143.6	$ 163.5	$ 148.2

(1) Finance charge-offs are included as a component of our Changes in fair value of loans in the 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 thousands, except per share data)			Earnings per common share	
			Basic	Diluted
Net income attributable to common shareholders		$ 93,027	$ 6.11	$ 4.87
Adjustment for gain on sale of CAR operations	(20,095)			
Adjustment for sale of MERCURY word mark	(27,500)			
Income tax expense on adjustments	11,569			
Total adjustments, net of tax		(36,026)	(2.37)	(1.87)
Adjusted net income attributable to common shareholders		$ 57,001		
Adjusted net income attributable to common shareholders per common share			$ 3.74	$ 3.00

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 September 30, 2026 and June 30, 2026 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	49.2%
Sale of CAR operations and sale of MERCURY word mark, net of tax	(19.1%)
Adjusted return on average equity	30.1%

Source: Atlanticus Holdings Corp