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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

of

ATLANTICUS HOLDINGS CORPORATION

a Georgia Corporation
IRS Employer Identification No. 58-2336689
SEC File Number 0-53717

Five Concourse Parkway, Suite 300
Atlanta, Georgia 30328
(770) 828-2000

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the "Act"):

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, no par value per share	ATLC	NASDAQ Global Select Market
7.625% Series B Cumulative Perpetual Preferred Stock, no par value per share	ATLCP	NASDAQ Global Select Market
6.125% Senior Notes due 2026	ATLCL	NASDAQ Global Select Market
9.25% Senior Notes due 2029	ATLCZ	NASDAQ Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new

or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b- 2). ☐ Yes ☒ No

The aggregate market value of Atlanticus' common stock (based upon the closing sales price quoted on the NASDAQ Global Select Market) held by non-affiliates as of June 30, 2023, was $196.2 million. (For this purpose, directors, officers and 10% shareholders have been assumed to be affiliates.)

As of February 22, 2024, 14,613,415 shares of common stock, no par value, of Atlanticus were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Atlanticus' Proxy Statement for its 2024 Annual Meeting of Shareholders are incorporated by reference into Part III.

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In this Report, except as the context suggests otherwise, the words "Company," "Atlanticus Holdings Corporation," "Atlanticus," "we," "our," "ours" and "us" refer to Atlanticus Holdings Corporation and its subsidiaries and predecessors. Atlanticus owns Aspire®, Emerge®, Fortiva®, Imagine®, Salute®, Tribute® and other trademarks and service marks in the United States ("U.S.") and the United Kingdom ("U.K.").

Cautionary Notice Regarding Forward-Looking Statements

We make forward-looking statements in this Report and in other materials we file with the Securities and Exchange Commission ("SEC") or otherwise make public. In addition, our senior management might make forward-looking statements to analysts, investors, the media and others. Statements with respect to the macroeconomic environment; monetary policy by the Federal Reserve; expected revenue; income; receivables; income ratios; net interest margins; long-term shareholder returns; acquisitions of financial assets and other growth opportunities; divestitures and discontinuations of businesses; loss exposure and loss provisions; delinquency and charge-off rates; inflation; energy prices; the developing metaverse; the extent and duration of the government's response to the COVID-19 pandemic and its impact on the Company, our bank partners, merchant network, financing sources, borrowers, loan demand, labor markets, supply chain, legal and regulatory matters, borrower payment patterns, information security and consumer privacy, capital markets, the economy in general and changes in the U.S. economy that could materially impact consumer spending behavior, unemployment and demand for the products we support; changes in the credit quality and fair value of our credit card receivables, interest and fees receivable and the fair value of their underlying structured financing facilities; the impact of actions by the Federal Deposit Insurance Corporation ("FDIC"), Federal Reserve Board, Federal Trade Commission ("FTC"), Consumer Financial Protection Bureau ("CFPB") and other regulators on both us, banks that issue credit cards and other credit products on our behalf, and merchants that participate in our retail and healthcare private label credit operations; account growth; the performance of investments that we have made, including in technology; operating expenses; marketing plans and expenses; the performance of our Auto Finance segment; expansion by our Auto Finance segment within its current service area and into new markets; the impact of our credit card receivables on our financial performance; the sufficiency of available capital; future interest costs; sources of funding operations and acquisitions; growth and profitability of our private label credit operations; our ability to raise funds or renew financing facilities; share repurchases, share issuances or dividends; debt retirement; our servicing income levels; gains and losses from investments in securities; experimentation with new products; the material weakness and remediation thereof described in Part II, Item 9A and other statements of our plans, beliefs or expectations are forward-looking statements. These and other statements using words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "target," "can," "could," "may," "should," "will," "would" and similar expressions also are forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. The forward-looking statements we make are not guarantees of future performance, and we have based these statements on our assumptions and analyses in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Forward-looking statements by their nature involve substantial risks and uncertainties that could significantly affect expected results, and actual future results could differ materially from those described in such statements. Management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or historical earnings levels.

Although it is not possible to identify all factors, we continue to face many risks and uncertainties. Among the factors that could cause actual future results to differ materially from our expectations are the risks and uncertainties described under "Risk Factors" set forth in Part I, Item 1A, and the risk factors and other cautionary statements in other documents we file with the SEC, including the following:

- general economic and business conditions, including conditions affecting interest rates, tariffs, consumer income, creditworthiness, consumer confidence, spending and savings levels, employment levels, our revenue, and our defaults and charge-offs;
- an increase or decrease in credit losses, or increased delinquencies, including increases due to a worsening of general economic conditions in the credit environment;
- our reliance on proprietary and third-party technology;
- security breaches involving our files and infrastructure could lead to unauthorized disclosure of confidential information or result in a temporary or permanent shutdown of our services;
- the availability of adequate financing to support growth;
- the extent to which federal, state, local and foreign governmental regulation of our various business lines and the products we service for others limits or prohibits the operation of our businesses;
- current and future litigation and regulatory proceedings against us;
- competition from various sources providing similar financial products, or other alternative sources of credit, to consumers;
- the adequacy of our allowances for credit losses and estimates of loan losses used within our risk management and analyses;
- the possible impairment of assets;
- our ability to manage costs in line with the expansion or contraction of our various business lines;
- our relationship with (i) the merchants that participate in private label credit operations and (ii) the banks that issue credit cards and provide certain other credit products utilizing our technology platform and related services;
- our business, financial condition and results of operations may be adversely affected by merchants' increasing focus on the fees charged by credit and debit card networks and by legislation and regulation impacting such fees;
- any decline in the use of cards as a payment mechanism or other adverse developments with respect to the credit card industry in general;
- increases or decreases in interest rates and uncertainty with respect to the interest rate environment;
- theft and employee errors; and
- impact of recent proposed guidance by the Biden administration and the Consumer Financial Protection Bureau regarding late fees.

Most of these factors are beyond our ability to predict or control. Any of these factors, or a combination of these factors, could materially affect our future financial condition or results of operations and the ultimate accuracy of our forward-looking statements. There also are other factors that we may not describe (because we currently do not perceive them to be material) that could cause actual results to differ materially from our expectations.

We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

PART I

ITEM 1. BUSINESS

This Report contains information that we obtained from industry and general publications and research, surveys and studies conducted by third parties. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to any of this data. We have obtained this information from sources that we believe are reliable. However, we have not independently verified market or industry data from third party sources.

General

A general discussion of our business follows. For additional information about our business, please visit our website at *www.Atlanticus.com*. Information contained on or available through our website is not incorporated by reference in this Report.

Atlanticus is a financial technology company powering more inclusive financial solutions for everyday Americans. We leverage data, analytics, and innovative technology to unlock access to financial solutions for the millions of Americans who would otherwise be underserved. We are principally engaged in providing products and services to lenders in the U.S. and, in most cases, we invest in the receivables originated by lenders who utilize our technology platform and other related services. In the private label credit channel, we partner with retailers, health care providers and service providers in various industries across the U.S. to allow them to provide credit to their customers for the purchase of a variety of goods and services including consumer electronics, furniture, elective medical procedures, healthcare, and home-improvements. From time to time, we also purchase receivables portfolios from third parties. Subject to the availability of capital at attractive terms and pricing, we plan to continue to evaluate and pursue a variety of activities, including: (1) investments in additional financial assets associated with private label credit and general purpose credit card activities as well as the acquisition of interests in receivables portfolios; (2) investments in other assets or businesses that are not necessarily financial services assets or businesses and (3) the repurchase or retirement of debt and equity securities. In this Report, "receivables" or "loans" typically refer to receivables we have purchased from our bank partners or from third parties. The types of revenues we earn from our investments in receivables portfolios and services primarily include fees and finance charges, and merchant fees or annual fees associated with the private label credit and general purpose credit card receivables.

Market Overview

According to data published by Experian, 40% of Americans had FICO® scores of less than 700. We believe this equates to a population of over 100 million everyday Americans in need of access to credit. These consumers often have financial needs that are not effectively met by larger financial institutions. By facilitating appropriately priced consumer credit and financial service alternatives with value-added features and benefits curated for the unique needs of these consumers, we endeavor to empower better financial outcomes for everyday Americans.

Company History

We are a Georgia corporation formed in 2009, as successor to an entity that commenced operations in 1996. Atlanticus is a financial technology company powering more inclusive financial solutions for everyday Americans. We leverage data, analytics, and innovative technology to unlock access to financial solutions for the millions of Americans who would otherwise be underserved.

Credit as a Service Segment

Currently, within our Credit as a Service ("CaaS") segment, we apply our technology solutions, in combination with the experiences gained, and infrastructure built from servicing over $39 billion in consumer loans over more than 25 years of operating history, to support lenders in offering more inclusive financial services. These products include private label credit and general purpose credit cards originated by lenders through multiple channels, including retail and healthcare, direct mail solicitation, digital marketing and partnerships with third parties. The services of our bank partners are often extended to consumers who may not have access to financing options with larger financial institutions. Our flexible technology solutions allow our bank partners to integrate our paperless process and instant decisioning platform with the existing infrastructure of participating retailers, healthcare providers and other service providers. Using our technology and proprietary predictive analytics, lenders can make instant credit decisions utilizing hundreds of inputs from multiple sources and thereby offer credit to consumers overlooked by many providers of financing who focus exclusively on consumers with higher FICO scores. Atlanticus' underwriting process is enhanced by large language models and machine learning, enabling lenders to make fast, sound decision-making when it matters most.

Using our infrastructure and technology, we also provide loan servicing, including risk management and customer service outsourcing, for third parties. Also, through our CaaS segment, we engage in testing and limited investment in consumer finance technology platforms as we seek to capitalize on our expertise and infrastructure. Additionally, we report within our CaaS segment: 1) servicing income; and 2) gains or losses associated with investments previously made in consumer finance technology platforms. These include investments in companies engaged in mobile technologies, marketplace lending and other financial technologies. None of these companies are publicly-traded and the carrying value of our investment in these companies is not material. One of these companies, Fintiv Inc., has sued Apple, Inc., Walmart, Inc., and PayPal Holdings, Inc. for patent infringement. Fintiv Inc. has approximately 150 patents related to secure money transfer on computer and mobile devices. The transaction volume in these areas has increased dramatically over the last five years. If Fintiv Inc. is successful in the patent litigation, there could be large exposure, including treble damages for these companies. The claimed losses sustained by his patent infringement are substantial and could be measured in the billions of dollars. We believe on a diluted basis that we will own over 10% of the company. Apple has vigorously contested the claims, and we expect it to continue doing so. In light of the uncertainty around these lawsuits, we will continue to carry these investments on our books at cost minus impairment, if any, plus or minus changes resulting from observable price changes.

The recurring cash flows we receive within our CaaS segment principally include those associated with (1) private label credit and general purpose credit card receivables, (2) servicing compensation and (3) credit card receivables portfolios that are unencumbered or where we own a portion of the underlying structured financing facility. For information regarding our concentration with certain retail partners, See Note 11, "Commitments and

Contingencies–Concentrations," to our consolidated financial statements included herein.

Our credit and other operations are heavily regulated, which may cause us to change how we conduct our operations either in response to regulation or in keeping with our goal of leading the industry in adherence to consumer-friendly practices. We have made meaningful changes to our practices over the past several years, and because our account management practices are evolutionary and dynamic, it is possible that we may make further changes to these practices, some of which may produce positive, and others of which may produce adverse, effects on our operating results and financial position. Customers at the lower end of the credit score range intrinsically have higher loss rates than do customers at the higher end of the credit score range. As a result, the products we support are priced to reflect expected loss rates for our various risk categories. See "Consumer and Debtor Protection Laws and Regulations—CaaS Segment" in Part I, Item 1A, "Risk Factors."

Subject to possible disruptions caused by inflation, rising interest rates, and supply chain interruptions, we believe that our private label credit and general purpose credit card receivables are generating, and will continue to generate, attractive returns on assets, thereby facilitating debt financing under terms and conditions (including advance rates and pricing) that will support attractive returns on equity, and we continue to pursue growth in this area.

Auto Finance Segment

Within our Auto Finance segment, our CAR subsidiary operations principally purchase and/or service loans secured by automobiles from or for, and also provide floor-plan financing for, a pre-qualified network of independent automotive dealers and automotive finance companies in the buy-here, pay-here used car business. We generate revenues on purchased loans through interest earned on the face value of the installment agreements combined with the accretion of discounts on loans purchased. We generally earn discount income over the life of the applicable loan. Additionally, we generate revenues from servicing loans on behalf of dealers for a portion of actual collections and by providing back-up servicing for similar quality assets owned by unrelated third parties. We offer a number of other products to our network of buy-here, pay-here dealers (including our floor-plan financing offering), but the majority of our activities are represented by our purchases of auto loans at discounts and our servicing of auto loans for a fee. As of December 31, 2023, our CAR operations served 650 dealers in 32 states and two U.S. territories. The core operations continue to perform well (achieving consistent profitability and generating positive cash flows and growth).

Fair Value Option

We account for certain loans receivable associated with our private label credit and general purpose credit card platform using fair value accounting. We believe the use of fair value for these receivables more closely approximates the true economics of these receivables, better matching the yields and corresponding charge-offs. We believe the fair value option also enables us to report generally accepted accounting principles in the U.S. (" GAAP") net income that provides increased transparency into our profitability and asset quality. We estimate the Fair Value Receivables using a discounted cash flow model, which considers various factors such as expected yields on consumer receivables, the timing of expected payments, customer default rates, estimated costs to service the portfolio, and valuations of comparable portfolios. As a result of this fair value adoption, our loans, interest and fees receivable are carried at fair value with changes in fair value recognized directly in earnings, and certain fee billings (such as annual membership fees and merchant fees) and origination costs associated with these receivables no longer being deferred. We reevaluate the fair value of our Fair Value Receivables at the end of each quarter. As discussed elsewhere in this Report we adopted ASU 2016-13 on January 1, 2022. This ASU requires the use of an impairment model (the current expected credit loss ("CECL") model) that is based on expected rather than incurred losses. The ASU also allows for a one-time fair value election for receivables. Upon adoption, we elected the fair value option for all remaining loans receivable associated with our private label credit and general purpose credit card platform previously recorded at amortized cost and recorded an increase to our Allowances for credit losses for our remaining Loans at amortized cost associated with our Auto Finance Segment. See Note 2, "Significant Accounting Policies and Consolidated Financial Statement Components-Recent Accounting Pronouncements" to our consolidated financial statements included herein for further discussion of our adoption of ASU 2016-13.

Impact of the COVID-19 Pandemic on Atlanticus and our Markets

In March 2020, a national emergency was declared under the National Emergencies Act due to a new strain of coronavirus. The reaction to the COVID-19 pandemic negatively impacted global supply chains and business operations. In addition, rising inflation in 2021 and 2022 resulted in increased costs for many goods and services. As a result of persistently high inflation, interest rates have been on the rise. Russia’s invasion of Ukraine and the ongoing regional conflict in the Middle East have intensified supply chain disruptions and heightened uncertainty surrounding the near-term outlook for the broader economy. The impacts of responses to the COVID-19 pandemic by both consumers and governments, rising energy costs, inflation, rising interest rates, and unresolved geopolitical tensions could significantly affect the economic outlook. The duration and severity of the effects of these impacts on our financial condition, results of operations and liquidity remain uncertain.

Borrowers impacted by COVID-19 requesting hardship assistance may have received temporary relief from payments or fee waivers. While these measures mitigated credit losses, related economic disruptions subsequently resulted in increased portfolio credit losses. The Biden administration ended the COVID-19 national and public health emergencies on May 11, 2023. The long term impact that the cessation of certain benefits provided under emergency relief programs will have on our consumers is uncertain although the remaining financial statement impact for those customers previously provided the aforementioned short-term payment deferrals and fee waivers is not material.

The Company remains committed to serving our bank partners, merchant partners, health care providers and consumers. For more information, refer to Part I, Item 1A "Risk Factors" and, in particular, "Other Risks of our Business – *The reaction to COVID-19 has caused severe disruptions in the U.S. economy and may have a further adverse impacts on our performance, results of operations and access to capital*" and "Other Risks of our Business – *Our business and operations may be negatively affected by rising prices and interest rates*."

Receivables Management and Risk Mitigation

CaaS Segment. We manage our investments in receivables using credit scoring, credit file data, non-credit-bureau attributes, and our proprietary risk evaluation systems developed and refined over more than 25 years of operating history. These strategies include assisting our issuing bank partners with the management of transaction authorizations, account renewals, credit line modifications and collection programs. We use an adaptive control system to translate our strategies into account management processes. The system enables us to develop and test multiple strategies simultaneously, allowing us to continually refine account management activities. We have incorporated our proprietary risk scores into this control system, in addition to standard credit behavior scores used widely in the industry, in order to segment, evaluate and manage the receivables. We believe that by combining external credit file data along with historical and current customer activity, we are able to better predict the true risk associated with current and delinquent receivables.

For our private label credit and general purpose credit card finance activities as well as the accounts that are open to purchases, we generally assist our issuing bank partners with managing credit lines to reward customers who are performing well and to mitigate losses from delinquent customer segments. We also assist our issuing bank partners with employing strategies to reduce otherwise open credit lines for customers demonstrating indicators of increased credit or bankruptcy risk. Data relating to account performance are captured and loaded into our proprietary database for ongoing analysis. Account management strategies are adjusted as necessary, based on the results of such analyses. Additionally, we use industry-standard fraud detection software to manage the portfolio. We route accounts to manual work queues and suspend charging privileges if the transaction-based fraud models indicate a probability of fraudulent use.

Auto Finance Segment. Our CAR operations manage credit quality and loss mitigation at the dealer portfolio level through the implementation of dealer-specific loss reserve accounts. In most instances, the reserve accounts are cross-collateralized across all accounts presented by any single dealer. CAR monitors performance at the dealer portfolio level (by product type) to adjust pricing, the reserve account, and to determine the size and scope of future account purchases from such dealer.

CAR provides dealers with specific purchase guidelines based upon each product offering and delegates approval authority to assist in the monitoring of transactions during the loan acquisition process. Dealers are subject to specific approval criteria, and individual accounts typically are verified for accuracy before, during and after the acquisition process. Dealer portfolios across the business segment are monitored and compared against expected collections and peer dealer performance. Monitoring of dealer pool vintages, delinquencies and loss ratios helps determine past performance and expected future results, which are used to adjust pricing and reserve requirements. Our CAR operations also manage risk through diversifying their receivables among multiple dealers.

Collection Strategy

CaaS *Segment.* The goal of the collections process is to collect as much of the account balance that is owed in the most customer-friendly and cost-effective manner possible. This collection process has continued to evolve over the course of more than 25 years of operating history, with the utilization of digital and mobile processes helping to both facilitate better communication with the consumer and aid in collections throughout the collection process.

We oversee and manage third-party collectors, who employ these digital and mobile processes along with the traditional cross-section of letters, emails and telephone calls to encourage payment. Collectors also sometimes offer flexibility with respect to the application of payments in order to encourage larger or prompter payments. For instance, in certain cases collectors may vary the general payment application priority (i.e., of applying payments first to finance charges, then to fees, and then to principal) by agreeing to apply payments first to principal and then to finance charges and fees or by agreeing to provide payments or credits of finance charges and principal to induce or in exchange for an appropriate payment. Application of payments in this manner also permits collectors to assess real time the degree to which payments over the life of an account have covered the principal credit extensions on that account. This allows collectors to readily identify the potential economic loss associated with the charge off of a particular receivable (i.e., the excess of principal purchases and cash advances funded over payments received throughout the life of the account). The selection of collection techniques, including, for example, the order in which payments are applied or the provision of payments or credits to induce or in exchange for a payment, impacts the statistical performance of the portfolios that we present under "Consolidated Results of Operations—CaaS Segment" within Item 7, "Management’s Discussion and Analysis of Financial Condition and Results of Operations."

Collectors employ various and evolving tools when collecting on the receivables, and they routinely test and evaluate new tools in their effort toward improving collections with a greater degree of service and efficiency. These tools include programs under which the contractual interest associated with a receivable may be reduced or eliminated, or a certain amount of accrued fees is waived, provided a minimum number or amount of payments have been made. In some instances, collectors may agree to match the payment on a receivable, for example, with commensurate payments or reductions of finance charges or waivers of fees. In other situations, collectors may actually settle and adjust finance charges and fees on a receivable, for example, based on a commitment and follow through on a commitment to pay certain portions of the balances owed. Collectors may also decrease minimum payments owed under certain collection programs. Additionally, collectors employ re-aging techniques in compliance with Federal Financial Institutions Examination Council ("FFIEC") guidelines, as discussed below. Moreover, collections are managed in accordance with the voluntary Consumer Credit Counseling Service ("CCCS") program by waiving a certain percentage of a receivable under certain circumstances. All of these programs are utilized based on the degree of economic success and customer service they achieve.

Collectors regularly monitor and adapt collection strategies, techniques, technology and training to optimize efforts to reduce delinquencies and charge offs. The output from these collection strategies and techniques is analyzed to identify the strategies and techniques that are most likely to result in curing a delinquent receivable in the most cost-effective manner, rather than treating all delinquent receivables the same based on the mere passage of time.

As in all aspects of risk management, the results of each of the above strategies is compared with other collection strategies and resources are devoted to those strategies that yield the best results. Results are measured based on, among other things, customer satisfaction, delinquency rates, expected losses and costs to collect. Existing strategies are then adjusted based on these results. We believe that routinely testing, measuring and adjusting collection strategies results in a better collection experience, lower bad debt losses and operating expenses.

Interest and fees for most credit products are discontinued when loans, interest and fees receivable become contractually 90 or more days past due. Loans, interest and fees receivable are charged off when they become contractually more than 180 days past due. For all products, receivables are charged off within 30 days of notification and confirmation of bankruptcy or death of the obligor. However, in some cases of death, receivables are not charged off if there is a surviving, contractually liable individual or an estate large enough to pay the debt in full.

The determination of whether an account is contractually past due is relevant to the delinquency and charge-off data provided under the "Consolidated Results of Operations—CaaS Segment" caption within Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." Various factors are relevant in analyzing whether an account is contractually past due (e.g., whether an account has not satisfied its minimum payment due requirement), which is the trigger for moving receivables through various delinquency stages and ultimately to charge-off status. For private label credit and general purpose credit card accounts, a cardholder's account is considered to be delinquent if the cardholder has not made the required payment as of the payment due date.

Additionally, collectors may re-age accounts that meet qualifications for re-aging consistent with FFIEC guidelines. Re-aging involves changing the delinquency status of an account. Collectors work cooperatively with customers demonstrating a willingness and ability to repay their indebtedness and who satisfy other criteria but are unable to pay the entire past due amount. Generally, to qualify for re-aging, an account must have been opened for at least nine months and may not be re-aged more than once in a twelve-month period or twice in a five-year period. In addition, an account on a workout program may qualify for one additional re-age in a five-year period. The customer also must have made three consecutive minimum monthly payments or the equivalent cumulative amount in the last three billing cycles. If a re-aged account subsequently experiences payment defaults, it will again become contractually delinquent and will be charged off according to the regular charge-off policy. The practice of re-aging an account may affect delinquencies and charge offs, potentially delaying or reducing such delinquencies and charge offs; however, this impact generally changes such delinquencies and charge offs by less than 10% and 5%, respectively.

We anticipate that further investments in large language models will enable us to refine our customer-centric approach to customer service and collections.

As discussed above, typically, once an account is 90 days or more past due, the account is placed on a non-accrual status. Placement on a non-accrual status results in the use of programs under which the contractual interest associated with a receivable may be reduced or eliminated, or a certain amount of accrued fees is waived, provided a minimum number or amount of payments have been made. Following this adjustment, if a customer demonstrates a willingness and ability to resume making monthly payments and meets the additional criteria discussed above, collectors will re-age the customer's account. When an account is re-aged, collectors adjust the status of the account to bring a delinquent account current, but generally do not make any further modifications to the payment terms or amount owed. Once an account is placed on a non-accrual status, it is closed for further purchases. We believe that re-ages help customers to manage difficult repayment periods, return to good standing and avoid further deterioration to their credit scores.

Auto Finance Segment. Accounts that CAR purchases from approved dealers initially are collected by the originating branch or service center location using a combination of traditional collection practices. The collection process includes contacting the customer by phone or mail, skip tracing and using starter interrupt devices to minimize delinquencies. Uncollectible accounts in our CAR operation generally are returned to the dealer under an agreement with the dealer to charge the balance on the account against reserve accounts established for each dealer. Autos are generally not repossessed in our CAR operation as a result of the agreements that we have with the dealers unless there are insufficient dealer reserves to offset the loss or if a dealer requests repossession.

Consumer and Debtor Protection Laws and Regulations

CaaS *Segment.* Our U.S. business is regulated directly and indirectly under various federal and state consumer protection, collection and other laws, rules and regulations, including the federal Credit Card Accountability Responsibility and Disclosure Act of 2009 (the "CARD Act"), the federal Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), the federal Truth In Lending Act ("TILA"), the federal Equal Credit Opportunity Act, the federal Fair Credit Reporting Act, the federal Fair Debt Collection Practices Act, the Federal Trade Commission ("FTC") Act, the federal Gramm-Leach-Bliley Act and the federal Telemarketing and Consumer Fraud and Abuse Prevention Act. These laws, rules and regulations, among other things, impose disclosure requirements when consumer products are advertised, when an account is opened, when monthly billing statements are sent and when consumer obligations are collected. In addition, various statutes limit the liability of consumers for unauthorized use, prohibit discriminatory practices in consumer transactions, impose limitations on the types of charges that may be assessed and restrict the use of consumer credit reports and other account-related information. Many of our issuing bank partners' products are designed for customers at the lower end of the credit score range. These products are priced to reflect the higher credit risk of these customers. Because of the inherently greater credit risks of these customers and the resulting higher interest and fees, we and our issuing bank partners may be subject to greater regulatory scrutiny. If regulators, including the FDIC (which regulates bank lenders), the CFPB and the FTC, object to the terms of these products, or to the marketing or collection practices used, we and our issuing bank partners could be required to modify or discontinue certain products or practices.

Auto Finance Segment. This segment is regulated directly and indirectly under various federal and state consumer protection and other laws, rules and regulations, including the federal TILA, the federal Equal Credit Opportunity Act, the federal Fair Credit Reporting Act, the federal Fair Debt Collection Practices Act, Dodd-Frank, the federal Gramm-Leach-Bliley Act and the federal Telemarketing and Consumer Fraud and Abuse Prevention Act. In addition, various state statutes limit the interest rates and fees that may be charged, limit the types of interest computations (e.g., interest bearing or pre-computed) and refunding processes, prohibit discriminatory practices in extending credit, impose limitations on fees and other ancillary products and restrict the use of consumer credit reports and other account-related information. Many of the states in which this segment operates have various licensing requirements and impose certain financial or other conditions in connection with these licensing requirements.

Privacy and Data Security Laws and Regulations. We are required to manage, use, and store large amounts of personally identifiable information, principally the confidential personal and financial data of our issuing bank partners' customers, in the ordinary course of our business. We depend on our IT networks and systems, and those of third parties, to process, store, and transmit that information. In the past, financial service companies have been targeted for sophisticated cyber attacks. A security breach involving our files and infrastructure could lead to unauthorized disclosure of confidential information. We take numerous measures to ensure the security of our hardware and software systems as well as customer information.

We are subject to various U.S. federal and state laws and regulations designed to protect confidential personal and financial data. For example, we must comply with guidelines under the Gramm-Leach-Bliley Act that require each financial institution to develop, implement and maintain a written, comprehensive information security program containing safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities and the sensitivity of any customer information at issue. Additionally, various federal banking regulatory agencies, and all 50 states, the District of Columbia, Puerto Rico and the Virgin Islands, have enacted data security regulations and laws requiring customer notification in the event of a security breach.

Competition

CaaS *Segment.* We face substantial competition from both financial service and financial technology companies, the intensity of which varies depending upon economic and liquidity cycles. Our financial performance is, in part, a function of the performance of our investments in receivables and the aggregate outstanding amount of such receivables. The private label credit and general purpose credit card finance activities of our issuing bank partners compete with facilitators and providers of legacy payment and consumer loan methods, such as credit and debit cards, including those provided by card issuing banks; technology solutions, including those provided by financial technology or payment companies; mobile wallets, such as Apple and PayPal; and pay-over-time solutions providers, including Block and Klarna. Many of these competitors are substantially larger than we are, have significantly greater financial resources than we do and have significantly lower costs of funds than we have.

Auto Finance Segment. Competition within the auto finance sector is widespread and fragmented. Our auto finance operations target automobile dealers that oftentimes are not able to access indirect lending from major financial institutions or captive finance companies. We compete mainly with a handful of national and regional companies focused on this credit segment and a large number of smaller, regional private companies with a narrow geographic focus. Individual dealers with access to capital may also compete in this segment through the purchase of receivables from peer dealers in their markets.

Human Capital

As of December 31, 2023, we had 386 employees, all of whom are employed within the U.S. We also engage temporary employees and consultants as needed to support our operations. None of our employees are represented by a labor union, and we consider our relationships with our employees to be good. Our management team members, on average, have over 15 years of tenure with the Company. This experience through macro-economic cycles guides our customer centric decision making.

We believe that our success and future growth depends greatly on our ability to attract, develop and retain top talent. To succeed in a competitive labor market, we seek to provide our employees with opportunities to grow and develop in their careers, supported by fair compensation, benefits and health and wellness programs.

Trademarks, Trade Names and Service Marks

We have registered and continue to register, when appropriate, various trademarks, trade names and service marks used in connection with our businesses. We consider these trademarks, trade names and service marks to be readily identifiable with, and valuable to, our business. This Annual Report on Form 10-K also contains trade names and trademarks of other companies that are the property of their respective owners.

Corporate Headquarters and Where to Access Additional Information

We are headquartered in Atlanta, Georgia, and our principal executive offices are located at Five Concourse Parkway, Suite 300, Atlanta, Georgia 30328. Our headquarters telephone number is (770) 828-2000, and our website is *www.Atlanticus.com*. We make available free of charge on our website certain of our recent SEC filings, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and amendments to those filings as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. These reports are also available on the SEC's website at *http://www.sec.gov*.

Certain corporate governance materials, including our Board of Directors committee charters and our Code of Business Conduct and Ethics, are posted on our website under the heading "Investors" and then "Corporate Information—Governance Documents." From time to time, the corporate governance materials on our website may be updated as necessary to comply with rules issued by the SEC or the NASDAQ Stock Market, or as desirable to further the continued effective and efficient governance of our company.

ITEM 1A. RISK FACTORS

An investment in our common stock, preferred stock or other securities involves a number of risks. You should carefully consider each of the risks described below, among others, before deciding to invest in our securities. If any of the following risks develops into actual events, our business, financial condition or results of operations could be negatively affected, the market prices of our securities could decline and you may lose all or part of your investment.

The response to COVID-19 on global commercial activity and the corresponding volatility in financial markets is evolving. Initially, the global impact of the outbreak led to many federal, state and local governments instituting quarantines and restrictions on travel. More recently, there have been disruptions in global supply chains that have adversely impacted a number of industries, such as transportation, hospitality and entertainment. In addition, there have been significant inflation and labor shortages over the past year which could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown or recession. The rapid development and fluidity of this situation preclude any accurate prediction as to the ultimate impact of inflation, rising interest rates and other consequences to the reactions to COVID-19. The global response to COVID-19 presents material uncertainty and risk with respect to our performance and financial results. For additional information, see "—Other Risks to Our Business—*The reaction to COVID-19 has caused severe disruptions in the U.S. economy and may have a further adverse impacts on our performance, results of operations and access to capital*."

Our Cash Flows and Net Income Are Dependent Upon Payments from Our Investments in Receivables

The collectability of our investments in receivables is a function of many factors including the criteria used to select who is issued credit, the pricing of the credit products, the lengths of the relationships, general economic conditions, the rate at which consumers repay their accounts or become delinquent, and the rate at which consumers borrow funds. Deterioration in these factors would adversely impact our business. In addition, to the extent we have over-estimated collectability, in all likelihood we have over-estimated our financial performance. Some of these concerns are discussed more fully below.

Our portfolio of receivables is not diversified and primarily originates from consumers whose creditworthiness is considered less than prime. Historically, we have invested in receivables in one of two ways—we have either (i) invested in receivables originated by lenders who utilize our services or (ii) invested in or purchased pools of receivables from other issuers. In either case, substantially all of our receivables are from borrowers represented by credit risks that regulators classify as less than prime. Our reliance on these receivables may in the future negatively impact our performance.

Economic slowdowns increase our credit losses. During periods of economic slowdown, recession or rapidly rising inflation rates, we generally experience an increase in rates of delinquencies and frequency and severity of credit losses. Our actual rates of delinquencies and frequency and severity of credit losses may be comparatively higher during periods of economic slowdown or recession or rapidly rising inflation rates.

Because a significant portion of our reported income is based on management's estimates of the future performance of receivables, differences between actual and expected performance of the receivables may cause fluctuations in net income. Significant portions of our reported income (or losses) are based on management's estimates of cash flows we expect to receive on receivables, particularly for such assets that we report based on fair value. The expected cash flows are based on management's estimates of credit losses, payment rates, servicing costs, discount rates and yields earned on credit card receivables. These estimates are based on a variety of factors, many of which are not within our control. Substantial differences between actual and expected performance of the receivables will occur and cause fluctuations in our net income. For instance, higher than expected rates of delinquencies and losses could cause our net income to be lower than expected. Similarly, levels of loss and delinquency can result in our being required to repay lenders earlier than expected, thereby reducing funds available to us for future growth.

Internet consumers have unique risk profiles and we may not be able to evaluate their creditworthiness. Receivables owned by consumers and acquired over the internet present unique risk characteristics and exhibit higher rates of fraud. As a result, we may not be able to successfully evaluate the creditworthiness of these potential consumers. Therefore, we may encounter difficulties managing the expected delinquencies and losses.

We Are Substantially Dependent Upon Borrowed Funds to Fund Receivables We Purchase

We finance receivables that we acquire in large part through financing facilities. All of our financing facilities are of finite duration (and ultimately will need to be extended or replaced) and contain financial covenants and other conditions that must be fulfilled in order for funding to be available. The cost and availability of equity and borrowed funds is dependent upon our financial performance, the performance of our industry overall and general economic and market conditions, and at times equity and borrowed funds have been both expensive and difficult to obtain.

If additional financing facilities are not available in the future on terms we consider acceptable, we will not be able to purchase additional receivables and those receivables may contract in size.

Capital markets may experience periods of disruption and instability, potentially limiting our ability to grow our receivables. From time-to-time, capital markets may experience periods of disruption and instability. For example, from 2008 to 2009, the global capital markets were unstable as evidenced by the lack of liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. These events contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. If similar adverse and volatile market conditions repeat in the future, we and other companies in the financial services sector may have to access, if available, alternative markets for debt and equity capital in order to grow our receivables.

Moreover, the re-appearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time or worsened market conditions could make it difficult for us to borrow money or to extend the maturity of or refinance any indebtedness we may have under similar terms and any failure to do so could have a material adverse effect on our business. Unfavorable economic and political conditions, including future recessions, political instability, geopolitical turmoil and foreign hostilities, energy disruptions, inflation, disease, pandemics and other serious health events, also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us.

The reaction to COVID-19 adversely impacted global commercial activity and has contributed to significant volatility in financial markets. The pandemic has, in part, caused disruptions in global supply chains that have adversely impacted a number of industries, such as transportation, hospitality and entertainment. In addition, there have been significant inflation and labor shortages over the past two years. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation preclude any accurate prediction as to the ultimate adverse impact of the coronavirus response. Nevertheless, the pandemic presents material uncertainty and risk with respect to our performance and financial results.

We may in the future have difficulty accessing debt and equity capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may cause us to reduce the volume of receivables we purchase or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our Financial Performance Is, in Part, a Function of the Aggregate Amount of Receivables That Are Outstanding

The aggregate amount of outstanding receivables is a function of many factors including purchase rates, payment rates, interest rates, seasonality, general economic conditions, competition from credit card issuers and other sources of consumer financing, access to funding, and the timing and extent of our receivable purchases.

The recent growth of our investments in private label credit and general purpose credit card receivables may not be indicative of our ability to grow such receivables in the future. Our period-end managed receivables balance for private label credit and general purpose credit card receivables grew to $2,411.3 million at December 31, 2023, from $2,120.1 million at December 31, 2022. The amount of such receivables has fluctuated significantly over the course of our operating history. Furthermore, even if such receivables continue to increase, the rate of such growth could decline. If we cannot manage the growth in receivables effectively, it could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

Reliance upon relationships with a few large retailers in the private label credit operations may adversely affect our revenues and operating results from these operations. Our five largest retail partners accounted for over 70% of our outstanding private label credit receivables as of December 31, 2023. Although we are adding new retail partners on a regular basis, it is likely that we will continue to derive a significant portion of this operations' receivables base and corresponding revenue from a relatively small number of partners in the future. If a significant partner reduces or terminates its relationship with us, these operations' revenue could decline significantly and our operating results and financial condition could be harmed.

We Operate in a Heavily Regulated Industry

Changes in bankruptcy, privacy or other consumer protection laws, or to the prevailing interpretation thereof, may expose us to litigation, adversely affect our ability to collect receivables, or otherwise adversely affect our operations. Similarly, regulatory changes could adversely affect the ability or willingness of lenders who utilize our technology platform and related services to market credit products and services to consumers. Also, the accounting rules that apply to our business are exceedingly complex, difficult to apply and in a state of flux. As a result, how we value our receivables and otherwise account for our business is subject to change depending upon the changes in, and interpretation of, those rules. Some of these issues are discussed more fully below.

Reviews and enforcement actions by regulatory authorities under banking and consumer protection laws and regulations may result in changes to our business practices, may make collection of receivables more difficult or may expose us to the risk of fines, restitution and litigation. Our operations and the operations of the issuing banks through which the credit products we service are originated are subject to the jurisdiction of federal, state and local government authorities, including the SEC, the FDIC, the Office of the Comptroller of the Currency, the FTC, U.K. banking and licensing authorities, state regulators having jurisdiction over financial institutions and debt origination and collection and state attorneys general. Our business practices and the practices of issuing banks, including the terms of products, servicing and collection practices, are subject to both periodic and special reviews by these regulatory and enforcement authorities. These reviews can range from investigations of specific consumer complaints or concerns to broader inquiries. If as part of these reviews the regulatory authorities conclude that we or issuing banks are not complying with applicable law, they could request or impose a wide range of remedies including requiring changes in advertising and collection practices, changes in the terms of products (such as decreases in interest rates or fees), the imposition of fines or penalties, or the paying of restitution or the taking of other remedial action with respect to affected consumers. They also could require us or issuing banks to stop offering some credit products or obtain licenses to do so, either nationally or in select states. To the extent that these remedies are imposed on the issuing banks that originate credit products using our platform, under certain circumstances we are responsible for the remedies as a result of our indemnification obligations with those banks. We or our issuing banks also may elect to change practices that we believe are compliant with law in order to

respond to regulatory concerns. Furthermore, negative publicity relating to any specific inquiry or investigation could hurt our ability to conduct business with various industry participants or to generate new receivables and could negatively affect our stock price, which would adversely affect our ability to raise additional capital and would raise our costs of doing business.

If any deficiencies or violations of law or regulations are identified by us or asserted by any regulator or require us or issuing banks to change any practices, the correction of such deficiencies or violations, or the making of such changes, could have a material adverse effect on our financial condition, results of operations or business. In addition, whether or not these practices are modified when a regulatory or enforcement authority requests or requires, there is a risk that we or other industry participants may be named as defendants in litigation involving alleged violations of federal and state laws and regulations, including consumer protection laws. Any failure to comply with legal requirements by us or the banks that originate credit products utilizing our platform in connection with the issuance of those products, or by us or our agents as the servicer of our accounts, could significantly impair our ability to collect the full amount of the account balances. The institution of any litigation of this nature, or any judgment against us or any other industry participant in any litigation of this nature, could adversely affect our business and financial condition in a variety of ways.

The regulatory landscape in which we operate is continually changing due to new rules, regulations and interpretations, as well as various legal actions that have been brought against others that have sought to re-characterize certain loans made by federally insured banks as loans made by third parties. If litigation on similar theories were brought against us when we work with a federally insured bank that makes loans and were such an action successful, we could be subject to state usury limits and/or state licensing requirements, loans in such states could be deemed void and unenforceable, and we could be subject to substantial penalties in connection with such loans.

The case law involving whether an originating lender, on the one hand, or a third party, on the other hand, is the "true lender" of a loan is still developing and courts have come to different conclusions and applied different analyses. The determination of whether a third-party service provider is the "true lender" is significant because third parties risk having the loans they service becoming subject to a consumer's state usury limits. A number of federal courts that have opined on the "true lender" issue have looked to who is the lender identified on the borrower's loan documents. A number of state courts and at least one federal district court have considered a number of other factors when analyzing whether the originating lender or a third party is the "true lender," including looking at the economics of the transaction to determine, among other things, who has the predominant economic interest in the loan being made. If we were re-characterized as a "true lender" with respect to the receivables originated by the bank that utilizes our technology platform and other services, such receivables could be deemed to be void and unenforceable in some states, the right to collect finance charges could be affected, and we could be subject to fines and penalties from state and federal regulatory agencies as well as claims by borrowers, including class actions by private plaintiffs. Even if we were not required to change our business practices to comply with applicable state laws and regulations or cease doing business in some states, we could be required to register or obtain lending licenses or other regulatory approvals that could impose a substantial cost on us. If the bank that originates loans utilizing our technology platform were subject to such a lawsuit, it may elect to terminate its relationship with us voluntarily or at the direction of its regulators, and if it lost the lawsuit, it could be forced to modify or terminate such relationship.

In addition to true lender challenges, a question regarding the applicability of state usury rates may arise when a loan is sold from a bank to a non-bank entity. In Madden v. Midland Funding, LLC, the U.S. Court of Appeals for the Second Circuit held that the federal preemption of state usury laws did not extend to the purchaser of a loan issued by a national bank. In its brief urging the U.S. Supreme Court to deny certiorari, the U.S. Solicitor General, joined by the Office of the Comptroller of the Currency ("OCC"), noted that the Second Circuit (Connecticut, New York and Vermont) analysis was incorrect. On remand, the U.S. District Court for the Southern District of New York concluded on February 27, 2017, that New York's state usury law, not Delaware's state usury law, was applicable and that the plaintiff's claims under the FDCPA and state unfair and deceptive acts and practices could proceed. To that end, the court granted Madden's motion for class certification. At this time, it is unknown whether Madden will be applied outside of the defaulted debt context in which it arose. The facts in Madden are not directly applicable to our business, as we do not engage in practices similar to those at issue in Madden. However, to the extent that the holding in Madden is broadened to cover circumstances applicable to our business, or if other litigation on related theories were brought against us or others and were successful, or we otherwise were found to be the "true lender," we could become subject to state usury limits and state licensing laws, in addition to the state consumer protection laws to which we are already subject, in a greater number of states, loans in such states could be deemed void and unenforceable, and we could be subject to substantial penalties in connection with such loans.

In response to the uncertainty Madden created as to the validity of interest rates of bank-originated loans sold in the secondary market, in May 2020 and June 2020, the OCC and the FDIC, respectively, issued final rules that reaffirmed the "valid when made" doctrine and clarified that when a bank sells, assigns, or otherwise transfers a loan, the interest rates permissible prior to the transfer continue to be permissible following the transfer. In the summer of 2020, a number of state attorneys general filed suits against the OCC and the FDIC, challenging these "valid when made" rules. In February 2022, the U.S. District Court for the Northern District of California entered two orders granting summary judgement in favor of the OCC and the FDIC. The court held that the bank regulators had the power to issue the rules reaffirming the "valid when made" doctrine. Although the practical consequences of Madden have diminished since the initial ruling, uncertainty remains in this area of law.

The bank that we support in connection with its extension of loans and one of our subsidiaries currently are involved in a dispute with the Maryland Commissioner of Financial Regulation with respect to the extent to which federal preemption preempts state regulation of bank activities related to the lending process, such as lender licensing requirements and aspects of those licensing requirements that purport to limit the rate of interest that can be charged. The Commissioner issued a "charge letter" making various assertions regarding the applicability of the licensing requirements and interest rate limitations, with the case to be heard in the Maryland Office of Administrative Hearings where the case is currently pending. The ultimate remedy sought by the Commissioner is the invalidation of loans to Maryland residents. We believe that preemption should apply and that the licensing requirements should not apply to the bank in its making loans in Maryland, but the ultimate outcome could be unfavorable. In light of the amount of loans involved, we do not believe that an adverse outcome would be material, but it could result in further erosion of federal preemption and our ability to operate as we currently do in Maryland and other states.

We support a single bank that markets general purpose credit cards and certain other credit products directly to consumers. We acquire interests in and service the receivables originated by that bank. The bank could determine not to continue the relationship for various business reasons, or its regulators could limit its ability to issue credit cards utilizing our technology platform or to originate some or all of the other products that we service or require the bank to modify those products significantly and could do either with little or no notice. Any significant interruption or change of our bank relationship would result in our being unable to acquire new receivables or develop certain other credit products. Unless we were able to timely replace our bank relationship, such an interruption would prevent us from acquiring newly-originated credit card receivables and growing our investments in private label credit and general purpose credit card receivables. In turn, it would materially adversely impact our business.

The FDIC has issued guidance affecting the bank that utilizes our technology platform to market general purpose credit cards and certain other credit products and these or subsequent new rules and regulations could have a significant impact on such credit products. The bank that utilizes our technology platform and other services to market general purpose credit cards and certain other credit products is supervised and examined by both the state that charters it and the FDIC. If the FDIC or a state supervisory body considers any aspect of the products originated utilizing our technology platform to be inconsistent with its guidance, the bank may be required to alter or terminate some or all of these products.

In June 2023, the FDIC, the Board of Governors of the Federal Reserve System, and the Office of the Comptroller of the Currency issued final guidance on managing risks associated with third-party relationships. The guidance sets forth considerations and a framework with respect to the management of risks arising from third-party relationships and replaces the federal banking agencies' existing guidance on the topic. The guidance broadly applies to business arrangements between a banking organization and a third party, including relationships with fintech entities and bank/fintech sponsorship arrangements.

Changes to consumer protection laws or changes in their interpretation may impede collection efforts or otherwise adversely impact our business practices. Federal and state consumer protection laws regulate the creation and enforcement of consumer credit card receivables and other loans. Many of these laws (and the related regulations) are focused on non-prime lenders and are intended to prohibit or curtail industry-standard practices as well as non-standard practices. For instance, Congress enacted legislation that regulates loans to military personnel through imposing interest rate and other limitations and requiring new disclosures, all as regulated by the Department of Defense. Similarly, in 2009 Congress enacted legislation that required changes to a variety of marketing, billing and collection practices, and the Federal Reserve adopted significant changes to a number of practices through its issuance of regulations. While our practices are in compliance with these changes, some of the changes (e.g., limitations on the ability to assess up-front fees) have significantly affected the viability of certain credit products within the U.S. Changes in the consumer protection laws could result in the following:

- receivables not originated in compliance with law (or revised interpretations) could become unenforceable and uncollectible under their terms against the obligors;
- we may be required to credit or refund previously collected amounts;
- certain fees and finance charges could be limited, prohibited or restricted, reducing the profitability of certain investments in receivables;
- certain collection methods could be prohibited, forcing us to revise our practices or adopt more costly or less effective practices;
- limitations on our ability to recover on charged-off receivables regardless of any act or omission on our part;
- some credit products and services could be banned in certain states or at the federal level;
- federal or state bankruptcy or debtor relief laws could offer additional protections to consumers seeking bankruptcy protection, providing a court greater leeway to reduce or discharge amounts owed to us; and
- a reduction in our ability or willingness to invest in receivables arising under loans to certain consumers, such as military personnel.

Material regulatory developments may adversely impact our business and results from operations.

Our Automobile Lending Activities Involve Risks in Addition to Others Described Herein

Automobile lending exposes us not only to most of the risks described above but also to additional risks, including the regulatory scheme that governs installment loans and those attendant to relying upon automobiles and their repossession and liquidation value as collateral. In addition, our Auto Finance segment operation acquires loans on a wholesale basis from used car dealers, for which we rely upon the legal compliance and credit determinations by those dealers.

Funding for automobile lending may become difficult to obtain and expensive. In the event we are unable to renew or replace any Auto Finance segment credit facilities that bear refunding or refinancing risks when they become due, our Auto Finance segment could experience significant constraints and diminution in reported asset values as lenders retain significant cash flows within underlying structured financings or otherwise under security arrangements for repayment of their loans. If we cannot renew or replace future facilities or otherwise are unduly constrained from a liquidity perspective, we may choose to sell part or all of our auto loan portfolios, possibly at less than favorable prices.

Our automobile lending business is dependent upon referrals from dealers. Currently we provide substantially all of our automobile loans only to or through used car dealers. Providers of automobile financing have traditionally competed based on the interest rate charged, the quality of credit accepted and the flexibility of loan terms offered. In order to be successful, we not only need to be competitive in these areas, but also need to establish and maintain good relations with dealers and provide them with a level of service greater than what they can obtain from our competitors.

The financial performance of our automobile loan portfolio is in part dependent upon the liquidation of repossessed automobiles. In the event of certain defaults, we may repossess automobiles and sell repossessed automobiles at wholesale auction markets located throughout the U.S. Auction proceeds from these types of sales and other recoveries generally are not sufficient to cover the outstanding balances of the contracts; where we experience these shortfalls, we will experience credit losses.

Repossession of automobiles entails the risk of litigation and other claims. Although we have contracted with reputable repossession firms to repossess automobiles on defaulted loans, it is not uncommon for consumers to assert that we were not entitled to repossess an automobile or that the repossession was not conducted in accordance with applicable law. These claims increase the cost of our collection efforts and, if successful, can result in awards against us.

We Routinely Explore Various Opportunities to Grow Our Business, to Make Investments and to Purchase and Sell Assets

We routinely consider acquisitions of, or investments in, portfolios and other assets as well as the sale of portfolios and portions of our business. There are a number of risks attendant to any acquisition, including the possibility that we will overvalue the assets to be purchased and that we will not be able to produce the expected level of profitability from the acquired business or assets. Similarly, there are a number of risks attendant to sales, including the possibility that we will undervalue the assets to be sold. As a result, the impact of any acquisition or sale on our future performance may not be as favorable as expected and actually may be adverse.

Portfolio purchases may cause fluctuations in our reported CaaS segment's managed receivables data, possibly reducing the usefulness of this data in evaluating our business. Our reported CaaS segment managed receivables data may fluctuate substantially from quarter to quarter as a result of recent and future credit card portfolio acquisitions.

Receivables included in purchased portfolios are likely to have been originated using credit criteria different from the criteria of issuing bank partners that have originated accounts utilizing our technology platform. Receivables included in any particular purchased portfolio may have significantly different delinquency rates and charge-off rates than the receivables previously originated and purchased by us. These receivables also may earn different interest rates and fees as compared to other similar receivables in our receivables portfolio. These variables could cause our reported managed receivables data to fluctuate substantially in future periods making the evaluation of our business more difficult.

Any acquisition or investment that we make will involve risks different from and in addition to the risks to which our business is currently exposed. These include the risks that we will not be able to integrate and operate successfully new businesses, that we will have to incur substantial indebtedness and increase our leverage in order to pay for the acquisitions, that we will be exposed to, and have to comply with, different regulatory regimes and that we will not be able to apply our traditional analytical framework (which is what we expect to be able to do) in a successful and value-enhancing manner.

Other Risks of Our Business

We operate in a highly competitive industry, and our inability to compete successfully would materially and adversely affect our business, results of operations, financial condition, and future prospects.

We operate in a highly competitive and dynamic industry. We face competition from a variety of players, including those who enable transactions and commerce via digital payments and consumer loans. Our primary competition consists of facilitators and providers of legacy payment and consumer loan methods, such as credit and debit cards, including those provided by card issuing banks; technology solutions, including those provided by financial technology or payment companies; mobile wallets, such as Apple and PayPal; and pay-over-time solutions providers, including Block and Klarna. Consumer lending is a broad and competitive market, and we compete to varying degrees with various platform providers or sources of consumer credit. This can include banks, non-bank lenders, including retail-based lenders, and other financial technology companies.

Some of our competitors, particularly credit issuing banks, are substantially larger than we are and have longer operating histories than we do, which gives those competitors advantages we do not have, such as more diversified products, a broader consumer and merchant base, greater brand recognition and brand loyalty, the ability to reach more consumers, the ability to cross sell their products, operational efficiencies, the ability to cross-subsidize their offerings through their other business lines, more versatile technology platforms, broad-based local distribution capabilities, and lower-cost funding. In addition, because many of our competitors are large financial institutions that fund themselves through low-cost insured deposits and continue to own the loans that they originate, they have certain revenue and funding opportunities not available to us. Furthermore, our current or potential competitors may be better at developing new products due to their large and experienced data science and engineering teams, who are able to respond more quickly to new technologies.

Additionally, merchants are increasingly offering other credit and payment options to customers. We expect competition to intensify in the future, both as emerging technologies continue to enter the marketplace and as large financial incumbents increasingly seek to innovate the services that they offer to compete with us. Technological advances and the continued growth of e-commerce activities have increased consumers' accessibility to products and services and led to the expansion of competition in digital payment and consumer loan options such as pay-over-time solutions.

We face competition in areas such as compliance capabilities, commercial financing terms and costs of capital, interest rates and fees (and other financing terms) available to consumers from our bank partners, approval rates, model efficiency, speed and simplicity of loan origination, ease-of-use, marketing expertise, service levels, products and services, technological capabilities and integration, borrower experience, brand and reputation. Furthermore, our existing and potential competitors may decide to modify their pricing and business models to compete more directly with us. Our ability to compete will also be affected by our ability to provide our bank partners with a commensurate or more extensive suite of products than those offered by our competitors. In addition, current or potential competitors, including financial technology lending platforms and existing or potential bank partners, may also acquire or form strategic alliances with one another, which could result in our competitors being able to offer more competitive loan terms due to their access to lower-cost capital. Such acquisitions or strategic alliances among our competitors or potential competitors could also make our competitors more adaptable to a rapidly evolving regulatory environment. To stay competitive, we may need to increase our regulatory compliance expenditures or our ability to compete may be adversely affected.

Our industry is driven by constant innovation. We utilize machine learning, which is characterized by extensive research efforts and rapid technological progress. If we fail to anticipate or respond adequately to technological developments, our ability to operate profitably could suffer.

Research, data accumulation and development by other companies may result in AI models that are superior to our AI models or result in products superior to those we develop. Further, technologies, products or services we develop may not be preferred to any existing or newly-developed technologies, products or services. If we are unable to compete with such companies or fail to meet the need for

innovation in our industry, the use of our platform could stagnate or substantially decline, or our products could fail to maintain or achieve more widespread market acceptance, which would materially and adversely affect our business, results of operations, financial condition, and future prospects.

The reaction to COVID-19 has caused severe disruptions in the U.S. economy and may have a further adverse impacts on our performance, results of operations and access to capital. In March 2020, a national emergency was declared under the National Emergencies Act due to a new strain of coronavirus ("COVID-19"). Measures initially taken across the U.S. and worldwide to mitigate the spread of the virus significantly impacted the macroeconomic environment, including consumer confidence, unemployment and other economic indicators that contribute to consumer spending behavior and demand for credit. More recently, policy responses to the COVID-19 pandemic have, in part, caused, supply chain disruptions, significant inflation, labor shortages and in turn, rising interest rates. Our results of operations are impacted by the relative strength of the overall economy. As general economic conditions improve or deteriorate, the amount of consumer disposable income tends to fluctuate, which, in turn, impacts consumer spending levels and the willingness of consumers to finance purchases. Furthermore, to the extent that supply chain disruptions result in deferred purchases, there will be a corresponding decrease in our receivable purchases.

The COVID-19 pandemic also resulted in us modifying certain business practices, such as transitioning to a distributed work model. We may take further actions as required by government authorities or as we determine to be in the best interests of our employees and consumers.

For additional discussion of the impact of COVID-19 on our business, see additional risk factors included in this Part I, Item 1A, as well as Part II, Item 7 "Management’s Discussion and Analysis of Financial Condition and Results of Operations."

Our business and operations may be negatively affected by rising prices and interest rates. Our financial performance and consumers’ ability to repay indebtedness may be affected by uncertain economic conditions, including inflation, government shutdowns and changing interest rates. Higher inflation increases the costs of goods and services, reduces consumer spending power and may negatively affect our ability to purchase receivables. In 2022, inflation in reached a four-decade high and continues to adversely impact the economy.

The Federal Reserve has raised interest rates to combat inflation. Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to borrow money. Higher interest rates often lead to higher payment obligations, which may reduce the ability of consumers to remain current on their obligations and, therefore, lead to increased delinquencies, defaults, customer bankruptcies and charge-offs, and decreased recoveries, all of which could have an adverse effect on our business.

Recently, prices for energy and food have been particularly volatile in light of Russia’s invasion of Ukraine and the resulting trade restrictions and sanctions imposed on Russia by the U.S. and other countries. These recent events have increased inflationary pressures.

The potential for government shutdowns due to Congress' failure to enact an appropriations bill could have a negative impact on the nation's economy and adversely impact both our ability to purchase receivables due to lower economic spending levels and our ability to collect on existing receivables as consumers may have temporary or permanent delays in income.

We are a holding company with no operations of our own. As a result, our cash flow and ability to service our debt is dependent upon distributions from our subsidiaries. The distribution of subsidiary earnings, or advances or other distributions of funds by subsidiaries to us, all of which are subject to statutory and could be subject to contractual restrictions, are contingent upon the subsidiaries’ cash flows and earnings and are subject to various business and debt covenant considerations.

We are party to litigation. We are party to certain legal proceedings which include litigation customary for a business of our nature. In each case we believe that we have meritorious defenses or that the positions we are asserting otherwise are correct. However, adverse outcomes are possible in these matters, and we could decide to settle one or more of our litigation matters in order to avoid the ongoing cost of litigation or to obtain certainty of outcome. Adverse outcomes or settlements of these matters could require us to pay damages, make restitution, change our business practices or take other actions at a level, or in a manner, that would adversely impact our business.

The failure of financial institutions or transactional counterparties could adversely affect our current and projected business operations and our financial condition and results of operations. During 2023, multiple financial institutions have been closed and placed in receivership. Although we did not have any funds deposited with the affected banks, we regularly maintain cash balances with other financial institutions in excess of the FDIC insurance limit. A failure of a depository institution to return deposits could impact access to our invested cash or cash equivalents and could adversely impact our operating liquidity and financial performance.

Because we outsource account-processing functions that are integral to our business, any disruption or termination of these outsourcing relationships could harm our business. We generally outsource account and payment processing. If these outsourcing relationships were not renewed or were terminated or the services provided to us were otherwise disrupted, we would have to obtain these services from alternate providers. There is a risk that we would not be able to enter into similar outsourcing arrangements with alternate providers on terms that we consider favorable or in a timely manner without disruption of our business.

Failure to keep up with the rapid technological changes in financial services and e-commerce could harm our business. The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products and services. The effective use of technology increases efficiency and enables financial and lending institutions to better serve customers and reduce costs. Our future success will depend, in part, upon our ability to address the needs of consumers by using technology to support products and services that will satisfy consumer demands for convenience, as well as to create additional efficiencies in our operations. We may not be able to effectively implement new technology-driven products and services as quickly as some of our competitors. Failure to successfully keep pace with technological change affecting the financial services industry could harm our ability to compete with our competitors. Any such failure to adapt to changes could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

If we are unable to protect our information systems against service interruption, our operations could be disrupted and our reputation may be damaged. We rely heavily on networks and information systems and other technology, that are largely hosted by third parties to support our business processes and activities, including processes integral to the origination and collection of loans and other financial products, and information systems to process financial information and results of operations for internal reporting purposes and to comply with regulatory, financial reporting, legal and tax requirements. Because information systems are critical to many of our operating activities, our business may be impacted by hosted system shutdowns, service disruptions or security breaches. These incidents may be caused by failures during routine operations such as system upgrades or user errors, as well as network or hardware failures, malicious or disruptive software, computer hackers, rogue employees or contractors, cyber-attacks by criminal groups, geopolitical events, natural disasters, pandemics, failures or impairments of telecommunications networks, or other catastrophic events. If our information systems suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results, and we may lose revenue and profits as a result of our inability to collect payments in a timely manner. We also could be required to spend significant financial and other resources to repair or replace networks and information systems.

Unauthorized or unintentional disclosure of sensitive or confidential customer data could expose us to protracted and costly litigation, and civil and criminal penalties. To conduct our business, we are required to manage, use, and store large amounts of personally identifiable information, consisting primarily of confidential personal and financial data regarding consumers across all operations areas. We also depend on our IT networks and systems, and those of third parties, to process, store, and transmit this information. As a result, we are subject to numerous U.S. federal and state laws designed to protect this information. Security breaches involving our files and infrastructure could lead to unauthorized disclosure of confidential information.

We take a number of measures to ensure the security of our hardware and software systems and customer information. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in the technology used by us to protect data being breached or compromised. In the past, banks and other financial service providers have been the subject of sophisticated and highly targeted attacks on their information technology. An increasing number of websites have reported breaches of their security.

If any person, including our employees or those of third-party vendors, negligently disregards or intentionally breaches our established controls with respect to such data or otherwise mismanages or misappropriates that data, we could be subject to costly litigation, monetary damages, fines, and/or criminal prosecution. Any unauthorized disclosure of personally identifiable information could subject us to liability under data privacy laws. Further, under credit card rules and our contracts with our card processors, if there is a breach of credit card information that we store, we could be liable to the credit card issuing banks for their cost of issuing new cards and related expenses. In addition, if we fail to follow credit card industry security standards, even if there is no compromise of customer information, we could incur significant fines. Security breaches also could harm our reputation, which could potentially cause decreased revenues, the loss of existing merchant credit partners, or difficulty in adding new merchant credit partners.

Internet and data security breaches also could impede our bank partners from originating loans over the Internet, cause us to lose consumers or otherwise damage our reputation or business. Consumers generally are concerned with security and privacy, particularly on the Internet. As part of our growth strategy, we have enabled lenders to originate loans over the Internet. The secure transmission of confidential information over the Internet is essential to maintaining customer confidence in such products and services offered online.

Advances in computer capabilities, new discoveries or other developments could result in a compromise or breach of the technology used by us to protect our client or consumer application and transaction data transmitted over the Internet. In addition to the potential for litigation and civil penalties described above, security breaches could damage our reputation and cause consumers to become unwilling to do business with our clients or us, particularly over the Internet. Any publicized security problems could inhibit the growth of the Internet as a means of conducting commercial transactions. Our ability to service our clients' needs over the Internet would be severely impeded if consumers become unwilling to transmit confidential information online.

Also, a party that is able to circumvent our security measures could misappropriate proprietary information, cause interruption in our operations, damage our computers or those of our users, or otherwise damage our reputation and business.

Regulation in the areas of privacy and data security could increase our costs. We are subject to various regulations related to privacy and data security/breach, and we could be negatively impacted by these regulations. For example, we are subject to the Safeguards guidelines under the Gramm-Leach-Bliley Act. The Safeguards guidelines require that each financial institution develop, implement and maintain a written, comprehensive information security program containing safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities and the sensitivity of any customer information at issue. Broad-ranging data security laws that affect our business also have been adopted by several states.

The California Consumer Privacy Act (the "CCPA") became effective on January 1, 2020. The CCPA requires, among other things, covered companies to provide new disclosures to California consumers and afford such consumers with expanded protections and control over the collection, maintenance, use and sharing of personal information. The CCPA continues to be subject to new regulations and legislative amendments. Although we have implemented a compliance program designed to address obligations under the CCPA, it remains unclear what future modifications will be made or how the CCPA will be interpreted in the future. The CCPA provides for civil penalties for violations and a private right of action for data breaches.

In addition, in November 2020, California voters approved the California Privacy Rights Act of 2020 (the "CPRA") ballot initiative, which became effective on January 1, 2023. The CPRA established the California Privacy Protection Agency to implement and enforce the CCPA and CPRA. We anticipate that the CPRA and certain regulations promulgated by the California Privacy Protection Agency will apply to our business and we will work to ensure compliance with such laws and regulations by their effective dates.

Compliance with these laws regarding the protection of consumer and employee data could result in higher compliance and technology costs for us, as well as potentially significant fines and penalties for noncompliance. Further, there are various other statutes and regulations relevant to the direct email marketing, debt collection and text-messaging industries including the Telephone Consumer Protection Act. The interpretation of many of these statutes and regulations is evolving in the courts and administrative agencies and an inability to comply with them may have an adverse impact on our business.

In addition to the foregoing enhanced data security requirements, various federal banking regulatory agencies, and all 50 states, the District of Columbia, Puerto Rico and the Virgin Islands, have enacted data security regulations and laws requiring varying levels of consumer notification in the event of a security breach. Also, federal legislators and regulators are increasingly pursuing new guidelines, laws and regulations that, if adopted, could further restrict how we collect, use, share and secure consumer information, possibly impacting some of our current or planned business initiatives.

Unplanned system interruptions or system failures could harm our business and reputation. Any interruption in the availability of our transactional processing services due to hardware, operating system failures, or system conversion will reduce our revenues and profits. Any unscheduled interruption in our services results in an immediate, and possibly substantial, reduction in our ability to serve our customers, thereby resulting in a loss of revenues. Frequent or persistent interruptions in our services could cause current or potential consumers to believe that our systems are unreliable, leading them to switch to our competitors or to avoid our websites or services, and could permanently harm our reputation.

Although our systems have been designed around industry-standard architectures to reduce downtime in the event of outages or catastrophic occurrences, they remain vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, computer viruses, computer denial-of-service attacks, and similar events or disruptions. Some of our systems are not fully redundant, and our disaster recovery planning may not be sufficient for all eventualities. Our systems also are subject to break-ins, sabotage, and intentional acts of vandalism. Despite any precautions we may take, the occurrence of a natural disaster, pandemic, a decision by any of our third-party hosting providers to close a facility we use without adequate notice for financial or other reasons or other unanticipated problems at our hosting facilities could cause system interruptions, delays, and loss of critical data, and result in lengthy interruptions in our services. Our business interruption insurance may not be sufficient to compensate us for losses that may result from interruptions in our service as a result of system failures.

Climate change and related regulatory responses may impact our business. Climate change as a result of emissions of greenhouse gases is a significant topic of discussion and has generated and may continue to generate federal and other regulatory responses. We are uncertain of the ultimate impact, either directionally or quantitatively, of climate change and related regulatory responses on our business. The most direct impact is likely to be an increase in energy costs, adversely impacting consumers and their ability to incur and repay indebtedness.

We elected the fair value option for newly originated assets, effective as of January 1, 2020, and for all remaining assets associated with our private label credit and general purpose credit card platform as of January 1, 2022. We use estimates in determining the fair value of our loans. If our estimates prove incorrect, we may be required to write down the value of these assets, adversely affecting our results of operations. Our ability to measure and report our financial position and results of operations is influenced by the need to estimate the impact or outcome of future events on the basis of information available at the time of the issuance of the financial statements. Further, most of these estimates are determined using Level 3 inputs for which changes could significantly impact our fair value measurements. A variety of factors including, but not limited to, estimated yields on consumer receivables, customer default rates, the timing of expected payments, estimated costs to service the portfolio, interest rates, and valuations of comparable portfolios may ultimately affect the fair values of our loans and finance receivables. If actual results differ from our judgments and assumptions, then it may have an adverse impact on the results of operations and cash flows. Management has processes in place to monitor these judgments and assumptions, but these processes may not ensure that our judgments and assumptions are accurate.

Our allowances for credit losses is determined based upon both objective and subjective factors and may not be adequate to absorb credit losses. We face the risk that customers will fail to repay their loans in full. Through our analysis of loan performance, delinquency data, charge-off data, economic trends and the potential effects of those economic trends on consumers, we establish allowances for credit losses as an estimate of the expected credit losses inherent within those loans, interest and fees receivable that we do not report at fair value. We determine the necessary allowances for credit losses by analyzing some or all of the following attributes unique to each type of receivable pool: historical loss rates; current delinquency and roll-rate trends; vintage analyses based on the number of months an account has been in existence; the effects of changes in the economy on consumers; changes in underwriting criteria; and estimated recoveries. These inputs are considered in conjunction with (and potentially reduced by) any unearned fees and discounts that may be applicable for an outstanding loan receivable. Actual losses are difficult to forecast, especially if such losses are due to factors beyond our historical experience or control. As a result, our allowances for credit losses may not be adequate to absorb all credit losses or prevent a material adverse effect on our business,

financial condition and results of operations. Losses are the largest cost as a percentage of revenues across all of our products. Fraud and customers not being able to repay their loans are both significant drivers of loss rates. If we experienced rising credit or fraud losses this would significantly reduce our earnings and profit margins and could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

Risks Relating to an Investment in Our Securities

The prices of our securities may fluctuate significantly, and this may make it difficult for you to resell our securities when you want or at prices you find attractive. The prices of our securities on the NASDAQ Global Select Market constantly change. We expect that the market prices of our securities will continue to fluctuate. The market prices of our securities may fluctuate in response to numerous factors, many of which are beyond our control. These factors include the following:

- actual or anticipated fluctuations in our operating results;
- changes in expectations as to our future financial performance, including financial estimates and projections by Atlanticus, securities analysts and investors;
- the overall financing environment, which is critical to our value;
- changes in interest rates;
- inflation and supply chain disruptions;
- the operating and stock performance of our competitors;
- announcements by us or our competitors of new products or services or significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- the announcement of enforcement actions or investigations against us or our competitors or other negative publicity relating to us or our industry;
- changes in generally accepted accounting principles in the U.S. ("GAAP"), laws, regulations or the interpretations thereof that affect our various business activities and segments;
- general domestic or international economic, market and political conditions;
- changes in ownership by executive officers, directors and parties related to them who control a majority of our common stock;
- additions or departures of key personnel;
- the annual yield from distributions on the Series B Preferred Stock or interest on the Senior Notes, net, as compared to yields on other financial instruments; and
- global pandemics (such as the COVID-19 pandemic).

In addition, the stock markets from time to time experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies. These broad fluctuations may adversely affect the trading prices of our securities, regardless of our actual operating performance.

Future sales of our common stock or equity-related securities in the public market could adversely affect the trading price of our common stock and our ability to raise funds in new stock offerings. Sales of significant amounts of our common stock or equity-related securities in the public market or the perception that such sales will occur, could adversely affect prevailing trading prices of our common stock and could impair our ability to raise capital through future offerings of equity or equity-related securities. Future sales of shares of common stock or the availability of shares of common stock for future sale, including sales of our common stock in short sale transactions, may have a material adverse effect on the trading price of our common stock.

The shares of Series A Convertible Preferred Stock and Series B Preferred Stock are senior obligations, rank prior to our common stock with respect to dividends, distributions and payments upon liquidation and have other terms, such as a redemption right, that could negatively impact the value of shares of our common stock. In December 2019, we issued 400,000 shares of Series A Convertible Preferred Stock. The rights of the holders of our Series A Convertible Preferred Stock with respect to dividends, distributions and payments upon liquidation rank senior to similar obligations to our holders of common stock. Holders of the Series A Convertible Preferred Stock are entitled to receive dividends on each share of such stock equal to 6% per annum on the liquidation preference of $100. The dividends on the Series A Convertible Preferred Stock are cumulative and non-compounding and must be paid before we pay any dividends on the common stock.

Further, on January 1, 2024, the holders of the Series A Convertible Preferred Stock will have the right to require us to purchase outstanding shares of Series A Convertible Preferred Stock for an amount equal to $100 per share plus any accrued but unpaid dividends. This redemption right could expose us to a liquidity risk if we do not have sufficient cash resources at hand or are not able to find financing on sufficiently attractive terms to comply with our obligations to repurchase the Series A Convertible Preferred Stock upon exercise of such redemption right.

In June and July 2021, we issued 3,188,533 shares of Series B Preferred Stock, for net proceeds of approximately $76.5 million after deducting underwriting discounts and commissions, but before deducting expenses and the structuring fee. Additionally, the Company has in the past, and may in the future, issue additional shares of Series B Preferred Stock pursuant our "at-the-market" offering program. The rights of the holders of our Series B Preferred Stock with respect to dividends, distributions and payments upon liquidation rank junior to similar obligations to our holders of Series A Convertible Preferred Stock and senior to similar obligations to our holders of common stock. Holders of the Series B Preferred Stock are entitled to receive dividends on each share of such stock equal to 7.625% per annum on the liquidation preference of $25.00 per share. The dividends on the Series B Preferred Stock are cumulative and non-compounding and must be paid before we pay any dividends on the common stock.

In the event of our liquidation, dissolution or the winding up of our affairs, the holders of our Series A Convertible Preferred Stock and Series B Preferred Stock have the right to receive a liquidation preference entitling them to be paid out of our assets generally available for distribution to our equity holders and before any payment may be made to holders of our common stock.

Our obligations to the holders of Series A Convertible Preferred Stock and Series B Preferred Stock also could limit our ability to obtain additional financing or increase our borrowing costs, which could have an adverse effect on our financial condition and the value of our common stock.

Our outstanding Series A Convertible Preferred Stock has anti-dilution protection that, if triggered, could cause substantial dilution to our then-existing holders of common stock, which could adversely affect our stock price. The document governing the terms of our outstanding Series A Convertible Preferred Stock contains anti-dilution provisions to benefit the holders of such stock. As a result, if we, in the future, issue common stock or other derivative securities, subject to specified exceptions, for a per share price less than the then existing conversion price of the Series A Convertible Preferred Stock, an adjustment to the then current conversion price would occur. This reduction in the conversion price could result in substantial dilution to our then-existing holders of common stock, adversely affecting the price of our common stock.

In the past, we have not paid cash dividends on our common stock on a regular basis, and an increase in the market price of our common stock, if any, may be the sole source of gain on an investment in our common stock. With the exception of dividends payable on our Series A Convertible Preferred Stock and Series B Preferred Stock, we currently plan to retain any future earnings for use in the operation and expansion of our business and may not pay any dividends on our common stock in the foreseeable future. The declaration and payment of all future dividends on our common stock, if any, will be at the sole discretion of our board of directors, which retains the right to change our dividend policy at any time. Any decision by our board of directors to declare and pay dividends in the future will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions, restrictions on dividends imposed by the documents governing the terms of the Series A Convertible Preferred Stock and Series B Preferred Stock and other factors that our board of directors may deem relevant. Consequently, appreciation in the market price of our common stock, if any, may be the sole source of gain on an investment in our common stock for the foreseeable future. Holders of the Series A Convertible Preferred Stock and Series B Preferred Stock are entitled to receive dividends on such stock that are cumulative and non-compounding and must be paid before we pay any dividends on the common stock.

We have the ability to issue additional preferred stock, warrants, convertible debt and other securities without shareholder approval. Our common stock may be subordinate to additional classes of preferred stock issued in the future in the payment of dividends and other distributions made with respect to common stock, including distributions upon liquidation or dissolution. Our Amended and Restated Articles of Incorporation (the "Articles of Incorporation") permit our board of directors to issue preferred stock without first obtaining shareholder approval, which we did in December 2019 when we issued the Series A Convertible Preferred Stock and in June and July 2021 when we issued the Series B Preferred Stock. Additionally, the Company has in the past, and may in the future, issue additional shares of Series B Preferred Stock pursuant our "at-the-market" offering program. If we issue additional classes of preferred stock, these additional securities may have dividend or liquidation preferences senior to the common stock. If we issue additional classes of convertible preferred stock, a subsequent conversion may dilute the current common shareholders' interest. We have similar abilities to issue convertible debt, warrants and other equity securities.

Our executive officers, directors and parties related to them, in the aggregate, control a majority of our common stock and may have the ability to control matters requiring shareholder approval. Our executive officers, directors and parties related to them own a large enough share of our common stock to have an influence on, if not control of, the matters presented to shareholders. As a result, these shareholders may have the ability to control matters requiring shareholder approval, including the election and removal of directors, the approval of significant corporate transactions, such as any reclassification, reorganization, merger, consolidation or sale of all or substantially all of our assets and the control of our management and affairs. Accordingly, this concentration of ownership may have the effect of delaying, deferring or preventing a change of control of us, impede a merger, consolidation, takeover or other business combination involving us or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, adversely affecting the market price of our common stock.

The Series B Preferred Stock rank junior to our Series A Convertible Preferred Stock and all of our indebtedness and other liabilities and are effectively junior to all indebtedness and other liabilities of our subsidiaries. In the event of our bankruptcy, liquidation, dissolution or winding-up of our affairs, our assets will be available to pay obligations on the Series B Preferred Stock only after all of our indebtedness and other liabilities have been paid and the liquidation preference of the Series A Convertible Preferred Stock has been satisfied. The rights of holders of the Series B Preferred Stock to participate in the distribution of our assets will rank junior to the prior claims of our current and future creditors, the Series A Convertible Preferred Stock and any future series or class of preferred stock we may issue that ranks senior to the Series B Preferred Stock. Our Articles of Incorporation authorize us to issue up to 10,000,000 shares of preferred stock in one or more series on terms determined by our board of directors, and as of December 31, 2023 we have outstanding 400,000 shares of Series A Convertible Preferred Stock and 3,256,561 shares of Series B Preferred Stock. As of December 31, 2023, we could issue up to 6,343,439 additional shares of preferred stock.

In addition, the Series B Preferred Stock effectively ranks junior to all existing and future indebtedness and other liabilities of (as well as any preferred equity interests held by others in) our existing subsidiaries and any future subsidiaries. Our existing subsidiaries are, and any future subsidiaries would be, separate legal entities and have no legal obligation to pay any amounts to us in respect of dividends due on the Series B Preferred Stock. If we are forced to liquidate our assets to pay our creditors and holders of our Series A Convertible Preferred Stock, we may not have sufficient assets to pay amounts due on any or all of the Series B Preferred Stock then outstanding. We and our subsidiaries have incurred and may in the future incur substantial amounts of debt and other obligations that will rank senior to the Series B Preferred Stock. We may incur additional indebtedness and become more highly leveraged in the future, harming our financial position and potentially limiting our cash available to pay dividends. As a result, we may not have sufficient funds remaining to satisfy our dividend obligations relating to our Series B Preferred Stock if we incur additional indebtedness or issue additional preferred stock that ranks senior to the Series B Preferred Stock.

Future offerings of debt or senior equity securities may adversely affect the market price of the Series B Preferred Stock. If we decide to issue debt or senior equity securities in the future, it is possible that these securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of the Series B Preferred Stock and may result in dilution to holders of the Series B Preferred Stock. We and, indirectly, our shareholders will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we do not know the amount, timing or nature of any future offerings. Thus, holders of the Series B Preferred Stock bear the risk of our future offerings reducing the market price of the Series B Preferred Stock and diluting the value of their holdings in us.

We may issue additional shares of the Series B Preferred Stock and additional series of preferred stock that rank on a parity with the Series B Preferred Stock as to dividend rights, rights upon liquidation or voting rights. We are allowed to issue additional shares of Series B Preferred Stock and additional series of preferred stock that would rank on a parity with the Series B Preferred Stock as to dividend payments and rights upon our liquidation, dissolution or winding up of our affairs pursuant to our Articles of Incorporation and the Amended and Restated Articles of Amendment Establishing the Series B Preferred Stock without any vote of the holders of the Series B Preferred Stock. Our Articles of Incorporation authorize us to issue up to 10,000,000 shares of preferred stock in one or more series on terms determined by our board of directors, and as of December 31, 2023 we have outstanding 400,000 shares of Series A Convertible Preferred Stock and 3,256,561 shares of Series B Preferred Stock. As of December 31, 2023, we could issue up to 6,343,439 additional shares of preferred stock. The issuance of additional shares of Series B Preferred Stock and additional series of parity preferred stock could have the effect of reducing the amounts available to the holders of Series B Preferred Stock upon our liquidation or dissolution or the winding up of our affairs. It also may reduce dividend payments on the Series B Preferred Stock if we do not have sufficient funds to pay dividends on all Series B Preferred Stock outstanding and other classes of stock with equal priority with respect to dividends.

In addition, although holders of the Series B Preferred Stock are entitled to limited voting rights with respect to such matters, the holders of the Series B Preferred Stock will vote separately as a class along with all other outstanding series of our preferred stock that we may issue upon which like voting rights have been conferred and are exercisable. As a result, the voting rights of holders of the Series B Preferred Stock may be significantly diluted, and the holders of such other series of preferred stock that we may issue may be able to control or significantly influence the outcome of any vote.

Future issuances and sales of parity preferred stock, or the perception that such issuances and sales could occur, may cause prevailing market prices for the Series B Preferred Stock and our common stock to decline and may adversely affect our ability to raise additional capital in the financial markets at times and prices favorable to us. Such issuances may also reduce or eliminate our ability to pay dividends on our common stock.

Holders of Series B Preferred Stock have extremely limited voting rights. Holders of Series B Preferred Stock have limited voting rights. Our common stock is the only class of our securities that carries full voting rights. Voting rights for holders of Series B Preferred Stock exist primarily with respect to the ability to elect (together with the holders of other outstanding series of our preferred stock, or additional series of preferred stock we may issue in the future and upon which similar voting rights have been or are in the future conferred and are exercisable) two additional directors to our board of directors in the event that six quarterly dividends (whether or not declared or consecutive) payable on the Series B Preferred Stock are in arrears, and with respect to voting on amendments to our Articles of Incorporation or Amended and Restated Articles of Amendment Establishing the Series B Preferred Stock (in some cases voting together with the holders of other outstanding series of our preferred stock as a single class) that materially and adversely affect the rights of the holders of Series B Preferred Stock (and other series of preferred stock, as applicable) or create additional classes or series of our stock that are senior to the Series B Preferred Stock, provided that in any event adequate provision for redemption has not been made. Other than in limited circumstances, holders of Series B Preferred Stock do not have any voting rights.

The conversion feature of the Series B Preferred Stock may not adequately compensate holders of such stock, and the conversion and redemption features of the Series B Preferred Stock may make it more difficult for a party to take over our company and may discourage a party from taking over the Company. Upon the occurrence of a Delisting Event or Change of Control (as defined in the document governing the terms of the Series B Preferred Stock), holders of the Series B Preferred Stock will have the right (unless, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we have provided or provide notice of our election to redeem the Series B Preferred Stock) to convert some or all of the Series B Preferred Stock into our common stock (or equivalent value of alternative consideration), and under these circumstances we will also have a special optional redemption right to redeem the Series B Preferred Stock. Upon such a conversion, the holders will be limited to a maximum number of shares of our common stock equal to the Share Cap (as defined in the document governing the terms of the Series B Preferred Stock) multiplied by the number of shares of Series B Preferred Stock converted. If the common stock price is less than $19.275, subject to adjustment, the holders will receive a maximum of 1.29702 shares of our common stock per share of Series B Preferred Stock, which may result in a holder receiving value that is less than the liquidation preference of the Series B Preferred Stock. In addition, those features of the Series B Preferred Stock may have the effect of inhibiting a third party from making an acquisition proposal for our Company or of delaying, deferring or preventing a change of control of the Company under circumstances that otherwise could provide the holders of our common stock and Series B Preferred Stock with the opportunity to realize a premium over the then-current market price or that shareholders may otherwise believe is in their best interests.

Holders of Series B Preferred Stock may be unable to use the dividends-received deduction and may not be eligible for the preferential tax rates applicable to "qualified dividend income." Distributions paid to corporate U.S. holders on the Series B Preferred Stock may be eligible for the dividends-received deduction, and distributions paid to non-corporate U.S. holders on the Series B Preferred Stock may be subject to tax at the preferential tax rates applicable to "qualified dividend income," if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Series B Preferred Stock to qualify as dividends for U.S. federal income tax purposes. If any distributions on the Series B Preferred Stock with respect to any fiscal year fail to be treated as dividends for U.S. federal income tax purposes, corporate U.S. holders would be unable to use the dividends-received deduction and non-corporate U.S. holders may not be eligible for the preferential tax rates applicable to "qualified dividend income" and generally would be required to reduce their tax basis in the Series B Preferred Stock by the extent to which the distribution is not treated as a dividend.

Holders of Series B Preferred Stock may be subject to tax if we make or fail to make certain adjustments to the conversion rate of the Series B Preferred Stock even though such holders do not receive a corresponding cash dividend. The conversion rate for the Series B Preferred Stock is subject to adjustment in certain circumstances. A failure to adjust (or to adjust adequately) the conversion rate after an event that increases the proportionate interest of the Series B Preferred Stock holders in us could be treated as a deemed taxable dividend to you. If a holder is a non-U.S. holder, any deemed dividend may be subject to U.S. federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable treaty, which may be set off against subsequent payments on the Series B Preferred Stock. In April 2016, the U.S. Treasury issued proposed income tax regulations in regard to the taxability of changes in conversion rights that will apply to the Series B Preferred Stock when published in final form and may be applied to us before final publication in certain instances.

The indenture governing the 6.125% Senior Notes due 2026 (the "Senior Notes") and the 9.25% Senior Notes due 2029 (the "2029 Senior Notes") does not prohibit us from incurring additional indebtedness. If we incur any additional indebtedness that ranks equally with the Senior Notes and 2029 Senior Notes, the holders of that debt will be entitled to share ratably with holders of the Senior Notes and 2029 Senior Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization or dissolution. This may have the effect of reducing the amount of proceeds paid to holders of Senior Notes and 2029 Senior Notes. Incurrence of additional debt would also further reduce the cash available to invest in operations, as a result of increased debt service obligations. If new debt is added to our current debt levels, the related risks that we now face could intensify.

Our level of indebtedness could have important consequences to holders of the Senior Notes and 2029 Senior Notes, because:

- it could affect our ability to satisfy our financial obligations, including those relating to the Senior Notes and 2029 Senior Notes;
- a substantial portion of our cash flows from operations would have to be dedicated to interest and principal payments and may not be available for operations, capital expenditures, expansion, acquisitions or general corporate or other purposes;
- it may impair our ability to obtain additional debt or equity financing in the future;
- it may limit our ability to refinance all or a portion of our indebtedness on or before maturity;
- it may limit our flexibility in planning for, or reacting to, changes in our business and industry; and
- it may make us more vulnerable to downturns in our business, our industry or the economy in general.

Our operations may not generate sufficient cash to enable us to service our debt. If we fail to make a payment on the Senior Notes and 2029 Senior Notes, we could be in default on the Senior Notes and 2029 Senior Notes, and this default could cause us to be in default on other indebtedness, to the extent outstanding. Conversely, a default under any other indebtedness, if not waived, could result in acceleration of the debt outstanding under the related agreement and entitle the holders thereof to bring suit for the enforcement thereof or exercise other remedies provided thereunder. In addition, such default or acceleration may result in an event of default and acceleration of other indebtedness, entitling the holders thereof to bring suit for the enforcement thereof or exercise other remedies provided thereunder. If a judgment is obtained by any such holders, such holders could seek to collect on such judgment from the assets of Atlanticus. If that should occur, we may not be able to pay all such debt or to borrow sufficient funds to refinance it. Even if new financing were then available, it may not be on terms that are acceptable to us.

However, no event of default under the Senior Notes and 2029 Senior Notes would result from a default or acceleration of, or suit, other exercise of remedies or collection proceeding by holders of, our other outstanding debt, if any. As a result, all or substantially all of our assets may be used to satisfy claims of holders of our other outstanding debt, if any, without the holders of the Senior Notes and 2029 Senior Notes having any rights to such assets.

The Senior Notes and 2029 Senior Notes are unsecured and therefore are effectively subordinated to any secured indebtedness that we currently have or that we may incur in the future. The Senior Notes and 2029 Senior Notes are not secured by any of our assets or any of the assets of our subsidiaries. As a result, the Senior Notes and 2029 Senior Notes are effectively subordinated to any secured indebtedness that we or our subsidiaries have currently outstanding or may incur in the future to the extent of the value of the assets securing such indebtedness. The indenture governing the Senior Notes and 2029 Senior Notes does not prohibit us or our subsidiaries from incurring additional secured (or unsecured) indebtedness in the future. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness and may consequently receive payment from these assets before they may be used to pay other creditors, including the holders of the Senior Notes and 2029 Senior Notes.

The Senior Notes and 2029 Senior Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries. The Senior Notes and 2029 Senior Notes are obligations exclusively of Atlanticus and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the Senior Notes and 2029 Senior Notes, and the Senior Notes and 2029 Senior Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Therefore, in any bankruptcy, liquidation or similar proceeding, all claims of creditors (including trade creditors) of our subsidiaries will have priority over our equity interests in such subsidiaries (and therefore the claims of our creditors, including holders of the Senior Notes and 2029 Senior Notes) with respect to the assets of such subsidiaries. Even if we are recognized as a creditor of one or more of our subsidiaries, our claims would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Senior Notes and 2029 Senior Notes are structurally subordinated to all indebtedness and other liabilities (including trade payables) of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. The indenture governing the Senior Notes and 2029 Senior Notes does not prohibit us or our subsidiaries from incurring additional indebtedness in the future or granting liens on our assets or the assets of our subsidiaries to secure any such additional indebtedness. In addition, future debt and security agreements entered into by our subsidiaries may contain various restrictions, including restrictions on payments by our subsidiaries to us and the transfer by our subsidiaries of assets pledged as collateral.

The indenture governing the Senior Notes and 2029 Senior Notes contains limited protection for holders of the Senior Notes and 2029 Senior Notes. The indenture under which the Senior Notes and 2029 Senior Notes were issued offers limited protection to holders of the Senior Notes and 2029 Senior Notes. The terms of the indenture and the Senior Notes and 2029 Senior Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on the Senior Notes and 2029 Senior Notes. In particular, the terms of the indenture and the Senior Notes and 2029 Senior Notes does not place any restrictions on our or our subsidiaries' ability to:

- issue debt securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Senior Notes and 2029 Senior Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Senior Notes and 2029 Senior Notes to the extent of the value of the assets securing such indebtedness or other obligations, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore would be structurally senior to the Senior Notes and 2029 Senior Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the Senior Notes and 2029 Senior Notes with respect to the assets of our subsidiaries;
- pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities subordinated in right of payment to the Senior Notes and 2029 Senior Notes;
- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);
- enter into transactions with affiliates;
- create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions;
- make investments; or
- create restrictions on the payment of dividends or other amounts to us from our subsidiaries.

In addition, the indenture does not include any protection against certain events, such as a change of control, a leveraged recapitalization or "going private" transaction (which may result in a significant increase of our indebtedness levels), restructuring or similar transactions. Furthermore, the terms of the indenture and the Senior Notes and 2029 Senior Notes does not protect holders of the Senior Notes and 2029 Senior Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity. Also, an event of default or acceleration under our other indebtedness would not necessarily result in an "event of default" under the Senior Notes and 2029 Senior Notes.

Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the indenture may have important consequences for holders of the Senior Notes and 2029 Senior Notes, including making it more difficult for us to satisfy our obligations with respect to the Senior Notes and 2029 Senior Notes or negatively affecting the trading value of the Senior Notes and 2029 Senior Notes.

Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Senior Notes and 2029 Senior Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the Senior Notes and 2029 Senior Notes.

We may not be able to generate sufficient cash to service all of our debt, and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful. Our ability to make scheduled payments on, or to refinance our obligations under, our debt will depend on our financial and operating performance and that of our subsidiaries, which, in turn, will be subject to prevailing economic and competitive conditions and to financial and business factors, many of which may be beyond our control.

We may not maintain a level of cash flow from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek to obtain additional equity capital or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for payments of interest on, and principal of, our debt, and such alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. We may not be able to refinance any of our indebtedness or obtain additional financing. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those sales, or if we do, at an opportune time, the proceeds that we realize may not be adequate to meet debt service obligations when due. Repayment of our indebtedness, to a certain degree, is also dependent on the generation of cash flows by our subsidiaries (none of which are guarantors of the Senior Notes and 2029 Senior Notes) and their ability to make such cash available to us, by dividend, loan, debt repayment, or otherwise. Our subsidiaries may not be able to, or be permitted to, make distributions or other payments to enable us to make payments in respect of our indebtedness. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, applicable U.S. and foreign legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required payments on our indebtedness.

An increase in market interest rates could result in a decrease in the value of the Senior Notes and 2029 Senior Notes. In general, as market interest rates rise, notes bearing interest at a fixed rate decline in value. Consequently, if market interest rates increase, the market value of the Senior Notes and 2029 Senior Notes may decline.

We may issue additional notes. Under the terms of the indenture governing the Senior Notes and 2029 Senior Notes, we may from time to time without notice to, or the consent of, the holders of the Senior Notes and 2029 Senior Notes, create and issue additional notes which may rank equally with the Senior Notes and 2029 Senior Notes. If any such additional notes are not fungible with the Senior Notes and 2029 Senior Notes initially offered hereby for U.S. federal income tax purposes, such additional notes will have one or more separate CUSIP numbers.

The ratings for the Senior Notes and 2029 Senior Notes could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold the Senior Notes and 2029 Senior Notes. Ratings do not reflect market prices or suitability of a security for a particular investor and the ratings of the Senior Notes and 2029 Senior Notes may not reflect all risks related to us and our business, or the structure or market value of the Senior Notes and 2029 Senior Notes. We may elect to issue other securities for which we may seek to obtain a rating in the future. If we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Senior Notes and 2029 Senior Notes.

Note Regarding Risk Factors

The risk factors presented above are all of the ones that we currently consider material. However, they are not the only ones facing our company. Additional risks not presently known to us, or which we currently consider immaterial, also may adversely affect us. There may be risks that a particular investor views differently from us, and our analysis might be wrong. If any of the risks that we face actually occurs, our business, financial condition and operating results could be materially adversely affected and could differ materially from any possible results suggested by any forward-looking statements that we have made or might make. In such case, the trading price of our common stock or other securities could decline, and you could lose part or all of your investment. **We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.**

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY RISK MANAGEMENT STRAGEY

We have developed and implemented cybersecurity risk management processes intended to protect the confidentiality, integrity and availability of our critical systems and information.

While everyone at our company plays a part in managing cybersecurity risks, primary cybersecurity oversight responsibility is shared by our Board of Directors, the audit committee of the Board of Directors ("Audit Committee") and senior management. Our cybersecurity risk management program is integrated into our overall enterprise risk management program.

Our cybersecurity risk management program includes:

- physical, technological and administrative controls intended to support our cybersecurity and data governance framework, including controls designed to protect the confidentiality, integrity and availability of our key information systems and customer, employee, bank partner and other third-party information stored on those systems, such as access controls, encryption, data handling requirements and other cybersecurity safeguards, and internal policies that govern our cybersecurity risk management and data protection practices;
- a defined procedure for timely incident detection, containment, response and remediation, including a written security incident response plan that includes procedures for responding to cybersecurity incidents;
- cybersecurity risk assessment processes designed to help identify material cybersecurity risks to our critical systems, information, products, services and broader enterprise Information Technology ("IT") environment;
- a security team responsible for managing our cybersecurity risk assessment processes and security controls;
- the use of external consultants or other third-party experts and service providers, where considered appropriate, to assess, test or otherwise assist with aspects of our cybersecurity controls;
- annual cybersecurity and privacy training of employees, including incident response personnel and senior management, and specialized training for certain teams depending on their role and/or access to certain types of information, such as consumer information; and
- a third-party risk management process that includes internal vetting of certain third-party vendors and service providers with whom we may share data.

Over the past fiscal year, we have not identified risks from known cybersecurity threats, including as a result of any previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations or financial condition. We will continue to monitor and assess our cybersecurity risk management program as well as invest in and seek to improve such systems and processes as appropriate. If we were to experience a material cybersecurity incident in the future, such incident may have a material effect, including on our business strategy, results of operations or financial condition. For more information regarding cybersecurity risks that we face and potential impacts on our business related thereto, refer to Part I, Item 1A "Risk Factors."

Cybersecurity Governance

With oversight from our Board of Directors, the Audit Committee is primarily responsible for assisting our Board of Directors in fulfilling its ultimate oversight responsibilities relating to risk assessment and management, including relating to cybersecurity and other information technology risks. The Audit Committee oversees management’s implementation of our cybersecurity risk management program, including processes and policies for determining risk tolerance, and reviews management’s strategies for adequately mitigating and managing identified risks, including risks relating to cybersecurity threats.

The Audit Committee receives updates from our Chief Information Officer on our cybersecurity risks on a periodic basis or more frequently if needed, and reviews metrics about cyber threat response preparedness, program maturity milestones, risk mitigation status, third party service providers and the current and emerging threat landscape. In addition, management updates the Audit Committee, as necessary, regarding any material cybersecurity threats or incidents, as well as any incidents with lesser impact potential.

The Audit Committee reports to our Board of Directors regarding its activities, including those related to key cybersecurity risks, mitigation strategies and ongoing developments, on a periodic basis or more frequently as needed. The Board of Directors also receives updates from our Chief Information Officer on our cyber risk management program and other matters relating to our data privacy and cybersecurity approach, including risk mitigations to bolster and enhance our data protection and data governance framework. Members of our Board of Directors receive presentations that include cybersecurity topics and the management of key cybersecurity risks from our Chief Information Officer as part of the continuing education of our Board of Directors on topics that impact public companies.

Our management team, including our Chief Information Officer, is responsible for assessing and managing our material risks from cybersecurity threats and for our overall cybersecurity risk management program on a day-to-day basis, and supervises both our internal cybersecurity personnel and the relationship with our retained external cybersecurity consultants. Our Chief Information Officer’s experience includes years of working in the cybersecurity field in various industries, including the financial services industry.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, including briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

ITEM 2. PROPERTIES

We currently lease 73,124 square feet of office space in Atlanta, Georgia for our executive offices and the primary operations of our CaaS segment. We have sub-leased 3,100 square feet of this office space. Our Auto Finance segment principally operates from 2,670 square feet of leased office space in Lake Mary, Florida, with additional offices and branch locations in various states and territories. We believe that our facilities are suitable to our business and that we will be able to lease or purchase additional facilities as our needs, if any, require.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal proceedings that are incidental to the conduct of our business. There are currently no pending legal proceedings that are expected to be material to us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the NASDAQ Global Select Market under the symbol "ATLC." As of February 22, 2024, there were 42 record holders of our common stock, which does not include persons whose stock is held in nominee or "street name" accounts through brokers, banks and intermediaries.

ISSUER PURCHASES OF EQUITY SECURITIES

The following table sets forth information with respect to our repurchases of common stock during the three months ended December 31, 2023.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1) (2)	Maximum Number of Shares that May Yet Be Purchased under the Plans or Programs (3)
October 1 - October 31	63,764	$ 29.34	63,764	4,166,284
November 1 - November 30	47,685	$ 30.17	22,089	4,144,195
December 1 - December 31	—	$ —	—	4,144,195
Total	111,449	$ 29.70	85,853	4,144,195

(1) Because withholding tax-related stock repurchases are permitted outside the scope of our 5,000,000 share Board-authorized repurchase plan, these amounts exclude shares of stock returned to us by employees in satisfaction of withholding tax requirements on exercised stock options and vested stock grants. There were 20,434 such shares returned to us during the three months ended December 31, 2023.

(2) Because withholding stock repurchases related to stock option exercise prices are permitted outside the scope of our 5,000,000 share Board-authorized repurchase plan, these amounts exclude shares of stock returned to us by employees in satisfaction of stock option exercise prices on exercised grants. There were 5,162 such shares returned to us during the three months ended December 31, 2023.

(3) Pursuant to a share repurchase plan authorized by our Board of Directors on March 15, 2022, we are authorized to repurchase 5,000,000 shares of our common stock through June 30, 2024.

The following table sets forth information with respect to our repurchases of Series B Preferred Stock during the three months ended December 31, 2023.

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased under the Plans or Programs (1)
October 1 - October 31	—	$ —	—	498,194
November 1 - November 30	—	$ —	—	498,194
December 1 - December 31	—	$ —	—	498,194
Total	—	$ —	—	498,194

(1) On November 8, 2022, our Board of Directors authorized the Company to repurchase up to 500,000 shares of our Series B Preferred Stock through June 30, 2024.

We will continue to evaluate our common stock price and Series B Preferred Stock prices relative to other investment opportunities and, to the extent we believe that the repurchase of our common stock or Series B Preferred Stock represents an appropriate return of capital, we will repurchase shares of our common stock or Series B Preferred Stock.

Dividends

We have no current plans to pay dividends to holders of our common stock. As we continue to pursue our growth strategy, we will assess our cash flow, the long-term capital needs of our business and other uses of cash. Payment of any cash dividends in the future will depend upon, among other things, our results of operations, financial condition, cash requirements and contractual restrictions. Furthermore, dividends on our Series A Preferred Stock and Series B Preferred Stock are payable in preference to any common stock dividends. We pay cumulative cash dividends on the Series B Preferred Stock, when and as declared by our Board of Directors, in the amount of $1.90625 per share each year, which is equivalent to 7.625% of the $25.00 liquidation preference per share. For additional information, see Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity,

Funding and Capital Resources."

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the related notes included therein, where certain terms have been defined.

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes forward-looking statements. We base these forward-looking statements on our current plans, expectations and beliefs about future events. There are risks, including the factors discussed in "Risk Factors" in Item 1A and elsewhere in this Report, that our actual experience will differ materially from these expectations. For more information, see "Cautionary Notice Regarding Forward-Looking Statements" at the beginning of this Report.

In this Report, except as the context suggests otherwise, the words "Company," "Atlanticus Holdings Corporation," "Atlanticus," "we," "our," "ours," and "us" refer to Atlanticus Holdings Corporation and its subsidiaries and predecessors.

OVERVIEW

Atlanticus is a financial technology company powering more inclusive financial solutions for everyday Americans. We leverage data, analytics, and innovative technology to unlock access to financial solutions for the millions of Americans who would otherwise be underserved. According to data published by Experian, 40% of Americans had FICO® scores of less than 700. We believe this equates to a population of over 100 million everyday Americans in need of access to credit. These consumers often have financial needs that are not effectively met by larger financial institutions. By facilitating appropriately priced consumer credit and financial service alternatives with value-added features and benefits curated for the unique needs of these consumers, we endeavor to empower better financial outcomes for everyday Americans.

Currently, within our Credit as a Service ("CaaS") segment, we apply our technology solutions, in combination with the experiences gained, and infrastructure built from servicing over $39 billion in consumer loans over more than 25 years of operating history, to support lenders in offering more inclusive financial services. These products include private label credit and general purpose credit cards originated by lenders through multiple channels, including retail and healthcare, direct mail solicitation, digital marketing and partnerships with third parties. The services of our bank partners are often extended to consumers who may not have access to financing options with larger financial institutions. Our flexible technology solutions allow our bank partners to integrate our paperless process and instant decisioning platform with the existing infrastructure of participating retailers, healthcare providers and other service providers. Using our technology and proprietary predictive analytics, lenders can make instant credit decisions utilizing hundreds of inputs from multiple sources and thereby offer credit to consumers overlooked by many providers of financing who focus exclusively on consumers with higher FICO scores. Atlanticus' underwriting process is enhanced by large language models and machine learning, enabling lenders to make fast, sound decisions when it matters most.

We are principally engaged in providing products and services to lenders in the U.S. and, in most cases, we invest in the receivables originated by lenders who utilize our technology platform and other related services. From time to time, we also purchase receivables portfolios from third parties. In this Report, "receivables" or "loans" typically refer to receivables we have purchased from our bank partners or from third parties.

Using our infrastructure and technology, we also provide loan servicing, including risk management and customer service outsourcing, for third parties. Also, through our CaaS segment, we engage in testing and limited investment in consumer finance technology platforms as we seek to capitalize on our expertise and infrastructure. Additionally, we report within our CaaS segment: 1) servicing income; and 2) gains or losses associated with investments previously made in consumer finance technology platforms. These include investments in companies engaged in mobile technologies, marketplace lending and other financial technologies. None of these companies are publicly-traded and the carrying value of our investment in these companies is not material. One of these companies, Fintiv Inc., has sued Apple, Inc., Walmart, Inc., and PayPal Holdings, Inc. for patent infringement. Fintiv Inc. has approximately 150 patents related to secure money transfer on computer and mobile devices. The transaction volume in these areas has increased dramatically over the last five years. If Fintiv Inc. is successful in the patent litigation, there could be large exposure, including treble damages for these companies. The claimed losses sustained by this patent infringement are substantial and could be measured in the billions of dollars. We believe on a diluted basis that we will own over 10% of the company. Apple has vigorously contested the claims, and we expect it to continue doing so. In light of the uncertainty around these lawsuits, we will continue to carry these investments on our books at cost minus impairment, if any, plus or minus changes resulting from observable price changes.

The recurring cash flows we receive within our CaaS segment principally include those associated with (1) private label credit and general purpose credit card receivables, (2) servicing compensation and (3) credit card receivables portfolios that are unencumbered or where we own a portion of the underlying structured financing facility.

Our credit and other operations are heavily regulated, which may cause us to change how we conduct our operations either in response to regulation or in keeping with our goal of leading the industry in adherence to consumer-friendly practices. We have made meaningful changes to our practices over the past several years, and because our account management practices are evolutionary and dynamic, it is possible that we may make further changes to these practices, some of which may produce positive, and others of which may produce adverse, effects on our operating results and financial position. Customers at the lower end of the credit score range intrinsically have higher loss rates than do customers at the higher end of the credit score range. As a result, the products we support are priced to reflect expected loss rates for our various risk categories. See "Consumer and Debtor Protection Laws and Regulations—CaaS Segment" in Item 1 and Item 1A, "Risk Factors" contained in this Report.

Subject to possible disruptions caused by inflation, rising interest rates, COVID-19 and supply chain interruptions, we believe that our private label credit and general purpose credit card receivables are generating, and will continue to generate, attractive returns on assets, thereby facilitating debt financing under terms and conditions (including advance rates and pricing) that will support attractive returns on equity, and we continue to pursue growth in this area.

Within our Auto Finance segment, our CAR subsidiary operations principally purchase and/or service loans secured by automobiles from or for, and

also provide floor-plan financing for, a pre-qualified network of independent automotive dealers and automotive finance companies in the buy-here, pay-here used car business. We generate revenues on purchased loans through interest earned on the face value of the installment agreements combined with the accretion of discounts on loans purchased. We generally earn discount income over the life of the applicable loan. Additionally, we generate revenues from servicing loans on behalf of dealers for a portion of actual collections and by providing back-up servicing for similar quality assets owned by unrelated third parties. We offer a number of other products to our network of buy-here, pay-here dealers (including our floor-plan financing offering), but the majority of our activities are represented by our purchases of auto loans at discounts and our servicing of auto loans for a fee. As of December 31, 2023, our CAR operations served 650 dealers in 32 states and two U.S. territories. The core operations continue to perform well (achieving consistent profitability and generating positive cash flows and growth).

Fair Value Election

We adopted ASU 2016-13 beginning January 1, 2022. This ASU requires the use of an impairment model that is based on expected rather than incurred losses. The ASU also allows for a one-time fair value election for receivables. Upon adoption, we elected the fair value option for all remaining loans receivable associated with our private label credit and general purpose credit card platform previously measured at amortized cost and recorded an increase to our Allowances for credit losses for our remaining Loans at amortized cost associated with our Auto Finance segment. We believe the use of fair value for these receivables more closely approximates the true economics of these receivables, better matching the yields and corresponding charge-offs. We believe the fair value option also enables us to report GAAP net income that provides increased transparency into our profitability and asset quality. See Note 2, 'Significant Accounting Policies and Consolidated Financial Statement Components-Recent Accounting Pronouncements" to our consolidated financial statements included herein for further discussion of our adoption of ASU 2016-13.

Impact of COVID-19 on Atlanticus and our Markets

In March 2020, a national emergency was declared under the National Emergencies Act due to a new strain of coronavirus. The response to the COVID-19 pandemic has negatively impacted global supply chains and business operations. In addition, rising inflation in 2021 and 2022 resulted in increased costs for many goods and services. As a result of persistently high inflation, interest rates have been on the rise. Russia's invasion of Ukraine and the ongoing regional conflict in the Middle East have intensified supply chain disruptions and heightened uncertainty surrounding the near-term outlook for the broader economy. The impacts of responses to the COVID-19 pandemic by both consumers and governments, rising energy costs, inflation, rising interest rates, and unresolved geopolitical tensions could significantly affect the economic outlook. The duration and severity of the effects of these impacts on our financial condition, results of operations and liquidity remain uncertain.

Borrowers impacted by COVID-19 requesting hardship assistance may have received temporary relief from payments or fee waivers. While these measures mitigated credit losses, related economic disruptions subsequently resulted in increased portfolio credit losses. The Biden administration ended the COVID-19 national and public health emergencies on May 11, 2023. The long term impact that the cessation of certain benefits provided under emergency relief programs will have on our consumers is uncertain although the remaining financial statement impact for those customers previously provided the aforementioned short-term payment deferrals and fee waivers is not material.

For more information, refer to Part I, Item 1A "Risk Factors" and, in particular, "Other Risks of our Business – *The reaction to COVID-19 has caused severe disruptions in the U.S. economy and may have a further adverse impacts on our performance, results of operations and access to capital.*" and "Other Risks of our Business – *Our business and operations may be negatively affected by rising prices and interest rates*."

CONSOLIDATED RESULTS OF OPERATIONS

	For the Year Ended December 31,		Increases (Decreases)
(In Thousands)	**2023**	**2022**	**from 2022 to 2023**
Total operating revenue	$ 1,155,246	$ 1,046,104	$ 109,142
Other non-operating revenue	630	809	(179)
Interest expense	(109,342)	(81,851)	(27,491)
Provision for credit losses	(2,152)	(1,252)	(900)
Changes in fair value of loans at fair value	(689,577)	(577,069)	(112,508)
Net margin	354,805	386,741	(31,936)
Operating expenses:			
Salaries and benefits	43,906	43,063	843
Card and loan servicing	100,620	95,428	5,192
Marketing and solicitation	52,421	62,403	(9,982)
Depreciation	2,560	2,175	385
Other	26,740	34,400	(7,660)
Total operating expenses:	226,247	237,469	(11,222)
Net income	101,954	134,612	(32,658)
Net loss attributable to noncontrolling interests	891	985	(94)
Net income attributable to controlling interests	102,845	135,597	(32,752)
Net income attributable to controlling interests to common shareholders	77,647	110,521	(32,874)

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Total operating revenue. Total operating revenue 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) ancillary, interchange and servicing income on loan portfolios.

Period-over-period results primarily relate to growth in private label credit and general purpose credit card products, the receivables of which increased to $2,411.3 million as of December 31, 2023 from $2,120.1 million as of December 31, 2022. We experienced higher period over period growth in our general purpose credit card acquisitions for both the fourth quarter and for the year ended December 31, 2023 than in our acquisition of private label credit receivables. This increase is primarily due to consistent quarterly growth in new customers serviced throughout 2023 compared to seasonally driven growth with our private label credit receivables. Growth within our private label credit receivables for both the fourth quarter and for the year ended December 31, 2023 was largely due to growth associated with our largest existing retail partners. The relative mix of receivable acquisitions can lead to some variation in our corresponding revenue as general purpose credit card receivables typically generate higher gross yields than private label credit receivables do. We are currently experiencing continued period-over-period growth in private label credit and general purpose credit card receivables and to a lesser extent in our CAR receivables—growth that we expect to result in net period-over-period growth in our total interest income and related fees for these operations for 2024. Future periods' growth is also dependent on the addition of new retail partners to expand the reach of private label credit operations as well as growth within existing partnerships and the level of marketing investment for the general purpose credit card operations. Other revenue on our consolidated statements of income consists of ancillary, interchange and servicing income. Ancillary and interchange revenues are largely impacted by growth in our receivables as discussed above. These fees are earned when customers we serve use their cards over established card networks. We earn a portion of the interchange fee the card networks charge merchants for the transaction. We earn servicing income by servicing loan portfolios for third parties. Unless and/or until we grow the number of contractual servicing relationships we have with third parties or our current relationships grow their loan portfolios, we will not experience significant growth and income within this category. As discussed elsewhere in this Report we adopted the fair value option under ASU 2016-13, beginning January 1, 2022, for all remaining loans receivable associated with our private label credit and general purpose credit card platform previously measured at amortized cost. This has resulted in an increase in the recognition of certain fee categories with future changes in the fair value of the associated receivables being included as part of our "Changes in fair value of loans" on our consolidated statements of income. The above discussions on expectations for finance, fee and other income are based on our current expectations. See Note 2, "Significant Accounting Policies and Consolidated Financial Statement Components-Recent Accounting Pronouncements" to our consolidated financial statements included herein for further discussion of our adoption of ASU 2016-13.

Other non-operating revenue. Included within our Other non-operating revenue category is income (or loss) associated with investments in non-core businesses or other items not directly associated with our ongoing operations. None of these companies are publicly-traded and there are no material pending liquidity events. We will continue to carry the investments on our books at cost minus impairment, if any, plus or minus changes resulting from observable price changes.

Interest expense. Variations in interest expense are due to new borrowings associated with growth in private label credit and general purpose credit card receivables and CAR operations as evidenced within Note 10, "Notes Payable," to our consolidated financial statements, offset by our debt facilities being repaid commensurate with net liquidations of the underlying credit card, auto finance and installment loan receivables that serve as collateral for the facilities. 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 $1,796.0 million as of December 31, 2023 from $1,586.0 million as of December 31, 2022. The majority of this increase in outstanding debt relates to the addition of multiple revolving credit facilities during 2023. Recent increases in the federal funds rate have started to increase 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 increased effective interest rates resulting from federal funds rate increases. As such, we expect our quarterly interest expense for these operations to increase compared to prior periods. However, we do not expect our interest expense to increase significantly in the short term (absent raising additional capital) because over 85% of interest rates on our outstanding debt are fixed. Adding to interest expense in 2024, subsequent to December 31, 2023, we sold approximately $57.3 million aggregate principal amount of 9.25% Senior Notes due 2029.

Provision for credit losses. Our provision for credit losses covers, with respect to such receivables, changes in estimates regarding our aggregate loss exposures on (1) principal receivable balances, (2) finance charges and late fees receivable underlying income amounts included within our total interest income category, and (3) other fees receivable. Recoveries of charged off receivables, consist of amounts received from the efforts of third-party collectors and through the sale of charged-off accounts to unrelated third parties. All proceeds received associated with charged-off accounts, are credited to the allowances for credit losses.

We have experienced a period-over-period increase in our provision for credit losses primarily reflecting growth in the underlying receivables subject to this provision as well as slight increases in delinquency rates, similar to those experienced in periods prior to COVID-19 and the related government stimulus programs. See Note 2, "Significant Accounting Policies and Consolidated Financial Statement Components," to our consolidated financial statements for further credit quality statistics and analysis. We expect that our provision for credit losses will continue to increase modestly in 2024 in relation to growth in the underlying Auto Finance receivables.

Changes in fair value of loans. The increase in Changes in fair value of loans was largely driven by growth in the underlying receivables (as noted above). For both periods presented, we included asset performance degradation in our forecasts to reflect 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 historical and current trends would suggest. Also impacting this increase in Changes in fair value of loans was a reduction in the discount rate applied to the net cash flows associated with these investments during the second quarter of 2022. The applied discount rate represents estimates third-party market participants could use in determining fair value. The reduction in this discount rate during the second quarter of 2022 reflected the asset level returns we believe would be required by market participants based on an asset backed securitization agreement entered into during that period. See Note 6 "Fair Values of Assets and Liabilities" included herein for further discussion of assumptions underlying this calculation. For credit card receivables for which we use fair value accounting, we expect our change in fair value of credit card receivables recorded at fair value to increase commensurate with growth in these receivables. We may, however, adjust our forecasts to reflect macroeconomic events. Thus, the fair values are subject to potentially high levels of volatility if we experience changes in the quality of our credit card receivables or if there are significant changes in market valuation factors (e.g., interest rates and spreads) in the future. Additionally, as receivables associated with both 1) assets acquired prior to our tightened underwriting standards adopted during the second quarter 2022 (and continued in subsequent quarters) and 2) those assets negatively impacted by inflation, gradually become a smaller percentage of the portfolio, we expect to see overall improvements in the measured fair value of our portfolios of acquired receivables.

Total operating expenses. Total operating expenses variances for the year ended December 31, 2023, relative to the year ended December 31, 2022, reflect the following:

- modest increases in salaries and benefit costs related to both the growth in the number of employees and inflationary compensation pressure. We expect some continued increase in this cost in 2024 compared to 2023 as we expect our receivables to continue to grow and as a result we expect to modestly increase our number of employees;
- increases in card and loan servicing expenses due to growth in receivables associated with our investments in private label credit and general purpose credit card receivables, which grew to $2,411.3 million outstanding from $2,120.1 million outstanding at December 31, 2023 and December 31, 2022, respectively. As many of the expenses associated with our card and loan servicing efforts are now variable based on the amount of underlying receivables, we would expect this number to continue to grow in 2024 commensurate with growth in our receivables. Offsetting a portion of this increase are significant reductions in our servicing costs per account, resulting from the realization of greater economies of scale and increased use of automation as our receivables have grown.
- decreases in marketing and solicitation costs primarily due to significant decreases in origination and brand marketing support for the year ended December 31, 2023 when compared to the year ended December 31, 2022. This recent decline in marketing and solicitation costs is a direct result of tightened underwriting standards adopted during the second quarter 2022 (and continued in subsequent quarters). These costs started to increase in the third and fourth quarter of 2023, and we expect some increases in period over period results for 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; and
- other expenses primarily relate to costs associated with occupancy or other third party expenses that are largely fixed in nature. Some costs including legal expenses and travel expenses are variable based on growth. Included in 2022 was a one-time $8.5 million accrual related to a settlement of outstanding litigation associated with our Auto Finance segment. While we expect some increase in these costs (excluding the accrued litigation costs) as we continue to grow our receivable portfolios, we do not anticipate the increases to be meaningful.

Certain operating costs are variable based on the levels of accounts and receivables we service (both for our own receivables and for others) and the pace and breadth of our growth in receivables. However, a number of our operating costs are fixed. As we have significantly grown our managed receivables levels over the past two years with minimal increase in the fixed portion of our card and loan servicing expenses as well as our salaries and benefits costs, we have realized greater operating efficiency.

Notwithstanding our cost management activities, we expect increased levels of expenditures associated with anticipated growth in private label credit and general purpose credit card operations. These expenses will primarily relate to the variable costs of marketing efforts and card and loan servicing expenses associated with new receivable acquisitions. Unknown ongoing potential impacts related to the aforementioned inflation and other global disruptions could result in more variability in these expenses and could impair our ability to acquire new receivables, resulting in increased costs despite our efforts to manage costs effectively.

Noncontrolling interests. We reflect the ownership interests of noncontrolling holders of equity in our majority-owned subsidiaries as noncontrolling interests in our consolidated statements of income. In November 2019, a wholly-owned subsidiary issued 50.5 million Class B preferred units at a purchase price of $1.00 per unit to an unrelated third party. The units carry a 16% preferred return paid quarterly, with up to 6 percentage points of the preferred return to be paid through the issuance of additional units or cash, at our election. The units have both call and put rights and are also subject to various covenants including a minimum book value, which if not satisfied, could allow for the securities to be put back to the subsidiary. In March 2020, the subsidiary issued an additional 50.0 million Class B preferred units under the same terms. A holder of the Class B Preferred Units may, at its election, require the Company to redeem part or all of such holder's Class B Preferred Units for cash at $1.00 per unit, on or after October 14, 2024. The proceeds from the transaction were used for general corporate purposes. We have included the issuance of these Class B preferred units as temporary noncontrolling interests on the consolidated balance sheets and the associated dividends are included as a reduction of our net income attributable to common shareholders on the consolidated statements of income.

Income Taxes. We experienced an effective income tax expense rate of 20.6% and 9.8% for the years ended December 31, 2023, and December 31, 2022, respectively. Our effective income tax expense rates for these years are below the statutory rate principally due to (1) deductions associated with the exercise of stock options and the vesting of restricted stock at times when the fair value of our stock exceeded such share-based awards' grant date values and (2) our deduction for income tax purposes of amounts characterized in our consolidated financial statements as dividends on a preferred stock issuance, such amounts constituting deductible interest expense on a debt issuance for tax purposes. Offsetting the above factors are the effects on our effective tax rate of state and foreign income tax expense, taxes on global intangible low-taxed income, and executive compensation deduction limitations under Section 162(m) of the Code. Further details related to the above are reflected in Note 12, "Income Taxes".

We report income tax-related interest and penalties (including those associated with both our accrued liabilities for uncertain tax positions and unpaid tax liabilities) within our income tax line item on our consolidated statements of income. We likewise report the reversal of income tax-related interest and penalties within such line item to the extent we resolve our liabilities for uncertain tax positions or unpaid tax liabilities in a manner favorable to our accruals therefor. We recognized $0.4 million in potential interest expense associated with uncertain tax positions during the year ended December 31, 2023, compared to de minimis interest expense experienced in 2022.

CaaS Segment

Our CaaS segment includes our activities related to our servicing of and our investments in the private label credit and general purpose credit card operations, our various credit card receivables portfolios, as well as other product testing and investments that generally utilize much of the same infrastructure. The types of revenues we earn from our investments in receivables portfolios and services primarily include fees and finance charges, merchant fees or annual fees associated with the private label credit and general purpose credit card receivables.

We record (i) the finance charges, merchant fees and late fees assessed on our CaaS segment receivables in the Revenue - Consumer loans, including past due fees category on our consolidated statements of income, (ii) the annual, monthly maintenance, returned-check, cash advance and other fees in the Revenue - Fees and related income on earning assets category on our consolidated statements of income, and (iii) the charge-offs (and recoveries thereof) as a component within our Changes in fair value of loans on our consolidated statements of income. Additionally, we show the effects of fair value changes for those credit card receivables for which we have elected the fair value option as a component of Changes in fair value of loans in our consolidated statements of income.

We historically have invested in receivables portfolios through subsidiary entities. If we control through direct ownership or exert a controlling interest in the entity, we consolidate it and reflect its operations as noted above. If we exert significant influence but do not control the entity, we record our share of its net operating results in the equity in income of equity-method investee category on our consolidated statements of income.

Non-GAAP Financial Measures

In addition to financial measures presented in accordance with GAAP, we present managed receivables, total managed yield, total managed yield ratio, combined principal net charge-off ratio, percent of managed receivables 30-59 days past due, percent of managed receivables 60-89 days past due and percent of managed receivables 90 or more days past due, 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.

These non-GAAP financial measures include only the performance of those receivables underlying consolidated subsidiaries (for receivables carried at amortized cost basis and fair value) and exclude the performance of receivables held by our former equity method investee. As the receivables underlying our former equity method investee reflect a small and diminishing portion of our overall receivables base, we do not believe their inclusion or exclusion in the overall results is material. 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 adjustment for potential credit losses to reflect fair value.

Below are (i) the reconciliation of Loans at fair value to Loans at amortized cost and (ii) the calculation of managed receivables:

	At or for the Three Months Ended							
	2023				2022			
(in Millions)	**Dec. 31 (1)**	**Sep. 30 (1)**	**Jun. 30 (1)**	**Mar. 31 (1)**	**Dec. 31 (1)**	**Sep. 30 (1)**	**Jun. 30 (1)**	**Mar. 31 (1)**
Loans at fair value	$ 2,173.8	$ 2,050.0	$ 1,916.1	$ 1,795.6	$ 1,818.0	$ 1,728.1	$ 1,616.9	$ 1,405.8
Fair value mark against receivable (2)	$ 237.5	$ 265.2	$ 257.9	$ 260.1	$ 302.1	$ 322.3	$ 293.0	$ 272.9
Loans at amortized cost	$ 2,411.3	$ 2,315.2	$ 2,174.0	$ 2,055.7	$ 2,120.1	$ 2,050.4	$ 1,909.9	$ 1,678.7
Total managed receivables	$ 2,411.3	$ 2,315.2	$ 2,174.0	$ 2,055.7	$ 2,120.1	$ 2,050.4	$ 1,909.9	$ 1,678.7
Fair value to face value ratio (3)	90.2%	88.5%	88.1%	87.3%	85.8%	84.3%	84.7%	83.7%

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

(2) The fair value mark against receivables reflects the difference between the face value of a receivable and the net present value of the expected cash flows associated with that receivable. See Note 6, "Fair Values of Assets and Liabilities" to our consolidated financial statements included herein for further discussion of assumptions underlying this calculation.

(3) The Fair value to face value ratio is calculated using Loans at fair value as the numerator, and Loans at amortized cost, as the denominator.

As discussed above, our managed receivables data differ in certain aspects from our GAAP data. First, managed receivables data are based on billings and actual charge-offs as they occur without regard to any changes in fair value of loans or changes in our allowances for credit losses (in periods where applicable). Second, for managed receivables data, we amortize certain fees (such as annual and merchant fees) and expenses (such as marketing expenses) associated with our Fair Value Receivables over the expected life of the corresponding receivable and recognize other costs, such as claims made under credit deferral programs, when paid. Under fair value accounting, these fees are recognized when billed or upon receivable acquisition and marketing expenses are recognized when incurred. Third, managed receivables data excludes the impacts of equity in income of equity method investees. A reconciliation of our operating revenues, net of finance and fee charge-offs, to comparable amounts used in our calculation of Total managed yield ratios is as follows:

	At or for the Three Months Ended							
	2023				2022			
(in Millions)	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Consumer loans, including past due fees	$ 214.6	$ 214.6	$ 210.3	$ 200.5	$ 202.9	$ 208.9	$ 182.8	$ 156.5
Fees and related income on earning assets	71.7	59.8	62.9	44.3	48.0	48.5	65.8	54.7
Other revenue	12.0	10.2	7.6	6.7	8.5	11.1	12.2	10.0
Total operating revenue - CaaS Segment	298.3	284.6	280.8	251.5	259.4	268.5	260.8	221.2
Adjustments due to acceleration of merchant fee discount amortization under fair value accounting	6.5	(6.8)	(10.6)	(0.5)	3.4	(7.9)	(12.1)	1.8
Adjustments due to acceleration of annual fees recognition under fair value accounting	(12.6)	(3.1)	(9.8)	7.3	7.9	10.0	(6.6)	(1.3)
Removal of finance charge-offs	(59.5)	(47.1)	(54.2)	(61.7)	(58.3)	(45.3)	(41.2)	(32.5)
Total managed yield	$ 232.7	$ 227.6	$ 206.2	$ 196.6	$ 212.4	$ 225.3	$ 200.9	$ 189.2

The calculation of Combined principal net charge-offs used in our Combined principal net charge-off ratio, annualized is as follows:

	At or for the Three Months Ended							
	2023				2022			
(in Millions)	Dec. 31 (1)	Sep. 30 (1)	Jun. 30 (1)	Mar. 31 (1)	Dec. 31 (1)	Sep. 30 (1)	Jun. 30 (1)	Mar. 31 (1)
Charge-offs on loans at fair value	$ 215.2	$ 173.5	$ 180.0	$ 191.9	$ 182.3	$ 134.4	$ 126.5	$ 101.3
Gross charge-offs on non-fair value accounts	—	—	—	—	—	—	—	—
Finance charge-offs (2)	(59.5)	(47.1)	(54.2)	(61.7)	(58.3)	(45.3)	(41.2)	(32.5)
Recoveries on non-fair value accounts	—	—	—	—	—	—	—	—
Combined principal net charge-offs	$ 155.7	$ 126.4	$ 125.8	$ 130.2	$ 124.0	$ 89.1	$ 85.3	$ 68.8

(1) As discussed in more detail above in "—Overview," on January 1, 2022, we elected the fair value method under ASU 2016-13 for those private label credit and general purpose credit card receivables that were previously accounted for under the amortized cost method.

(2) Finance charge-offs are included as a component of our Provision for credit losses and Changes in fair value of loans in the accompanying consolidated statements of income.

Our delinquency and charge-off data at any point in time reflect the credit performance of our managed receivables. The average age of the accounts underlying our receivables, the timing and size of receivable purchases, the success of our collection and recovery efforts and general economic conditions all affect our delinquency and charge-off rates. The average age of the accounts underlying our portfolios of receivables also affects the stability of our delinquency and loss rates. We consider this delinquency and charge-off data in our allowances for credit losses for our other credit product receivables that we report at amortized cost. Our strategy for managing delinquency and receivables losses consists of account management throughout the life of the receivable. This strategy includes credit line management and pricing based on the risks. See also our discussion of collection strategy under "Collection Strategy" in Item 1, "Business".

The following table presents the delinquency trends of the receivables we manage within our CaaS segment, as well as charge-off data and other non-GAAP managed receivables statistics (in thousands; percentages of total):

	At or for the Three Months Ended 2023							
	Dec. 31		Sep. 30		Jun. 30		Mar. 31	
	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables
Period-end managed receivables	$ 2,411,255		$ 2,315,206		$ 2,174,001		$ 2,055,678	
30-59 days past due	$ 110,465	4.6%	$ 101,822	4.4%	$ 96,670	4.4%	$ 76,139	3.7%
60-89 days past due	$ 98,377	4.1%	$ 92,361	4.0%	$ 81,477	3.7%	$ 88,529	4.3%
90 or more days past due	$ 247,621	10.3%	$ 217,136	9.4%	$ 170,274	7.8%	$ 197,418	9.6%
Average managed receivables	$ 2,363,231		$ 2,244,604		$ 2,114,840		$ 2,087,902	
Total managed yield ratio, annualized (1)	39.4%		40.6%		39.0%		37.7%	
Combined principal net charge-off ratio, annualized (2)	26.4%		22.5%		23.8%		24.9%	
Interest expense ratio, annualized (3)	5.4%		4.9%		4.4%		4.5%	
Net interest margin ratio, annualized (4)	7.6%		13.2%		10.8%		8.3%	

	At or for the Three Months Ended 2022							
	Dec. 31		Sep. 30		Jun. 30		Mar. 31	
	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables
Period-end managed receivables	$ 2,120,126		$ 2,050,354		$ 1,908,884		$ 1,677,610	
30-59 days past due	$ 97,373	4.6%	$ 98,841	4.8%	$ 83,390	4.4%	$ 56,860	3.4%
60-89 days past due	$ 115,636	5.5%	$ 107,091	5.2%	$ 66,935	3.5%	$ 52,995	3.2%
90 or more days past due	$ 220,901	10.4%	$ 204,752	10.0%	$ 148,907	7.8%	$ 142,654	8.5%
Average managed receivables	$ 2,085,240		$ 1,979,619		$ 1,793,247		$ 1,644,305	
Total managed yield ratio, annualized (1)	40.7%		45.5%		44.8%		46.0%	
Combined principal net charge-off ratio, annualized (2)	23.8%		18.0%		19.0%		16.7%	
Interest expense ratio, annualized (3)	4.5%		4.2%		4.1%		4.2%	
Net interest margin ratio, annualized (4)	12.4%		23.3%		21.7%		25.1%	

(1) The Total managed yield ratio, annualized is calculated using the annualized total managed yield as the numerator and period-end average managed receivables as the denominator.

(2) The Combined principal net charge-off ratio, annualized is calculated using the annualized combined principal net charge-offs as the numerator and period-end average managed receivables as the denominator.

(3) Interest expense ratio, annualized is calculated using the annualized interest expense associated with the CaaS segment (See Note 3, "Segment Reporting" to our consolidated financial statements) as the numerator and period-end average managed receivables as the denominator.

(4) Net interest margin ratio, annualized is calculated using the Total managed yield ratio, annualized less the Combined principal net charge-off ratio, annualized less the Interest expense ratio, annualized.

The following table presents additional trends and data with respect to our private label credit and general purpose credit card receivables (dollars in thousands). Results of our legacy credit card receivables portfolios are excluded:

	Private Label Credit - At or for the Three Months Ended							
	2023							
	Dec. 31		Sep. 30		Jun. 30		Mar. 31	
	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables
Period-end managed receivables	$ 939,389		$ 944,197		$ 892,387		$ 835,541	
30-59 days past due	$ 36,540	3.9%	$ 35,830	3.8%	$ 31,597	3.5%	$ 25,774	3.1%
60-89 days past due	$ 31,284	3.3%	$ 29,387	3.1%	$ 24,776	2.8%	$ 21,036	2.5%
90 or more days past due	$ 79,056	8.4%	$ 71,200	7.5%	$ 56,209	6.3%	$ 62,609	7.5%
Average APR	17.1%		16.2%		17.0%		17.5%	
Receivables purchased during period	$ 202,168		$ 244,571		$ 260,281		$ 201,375	

	Private Label Credit - At or for the Three Months Ended							
	2022							
	Dec. 31		Sep. 30		Jun. 30		Mar. 31	
	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables
Period-end managed receivables	$ 838,289		$ 811,307		$ 762,252		$ 702,423	
30-59 days past due	$ 31,426	3.7%	$ 30,470	3.8%	$ 26,197	3.4%	$ 19,344	2.8%
60-89 days past due	$ 24,993	3.0%	$ 25,081	3.1%	$ 19,058	2.5%	$ 16,482	2.3%
90 or more days past due	$ 68,517	8.2%	$ 58,506	7.2%	$ 42,614	5.6%	$ 47,214	6.7%
Average APR	17.5%		17.2%		17.8%		18.0%	
Receivables purchased during period	$ 192,773		$ 213,797		$ 225,041		$ 159,837	

	General Purpose Credit Card - At or for the Three Months Ended							
	2023							
	Dec. 31		Sep. 30		Jun. 30		Mar. 31	
	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables
Period-end managed receivables	$ 1,471,358		$ 1,370,445		$ 1,280,979		$ 1,219,429	
30-59 days past due	$ 73,918	5.0%	$ 65,987	4.8%	$ 65,067	5.1%	$ 50,355	4.1%
60-89 days past due	$ 67,088	4.6%	$ 62,969	4.6%	$ 56,698	4.4%	$ 67,486	5.5%
90 or more days past due	$ 168,555	11.5%	$ 145,927	10.6%	$ 114,046	8.9%	$ 134,799	11.1%
Average APR	27.4%		27.3%		27.2%		26.4%	
Receivables purchased during period	$ 426,939		$ 402,978		$ 380,509		$ 315,148	

	General Purpose Credit Card - At or for the Three Months Ended							
	2022							
	Dec. 31		Sep. 30		Jun. 30		Mar. 31	
	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables	Fair Value Receivables	% of Period-end managed receivables
Period-end managed receivables	$ 1,281,051		$ 1,238,177		$ 1,146,631		$ 975,187	
30-59 days past due	$ 65,940	5.1%	$ 68,362	5.5%	$ 57,193	5.0%	$ 37,316	3.8%
60-89 days past due	$ 90,639	7.1%	$ 82,006	6.6%	$ 47,877	4.2%	$ 36,514	3.7%
90 or more days past due	$ 152,375	11.9%	$ 146,229	11.8%	$ 106,293	9.3%	$ 95,440	9.8%
Average APR	26.1%		26.3%		26.7%		26.3%	
Receivables purchased during period	$ 383,344		$ 422,846		$ 491,301		$ 377,736	

The following discussion relates to the tables above.

Managed receivables levels. We have continued to experience overall period-over-period quarterly receivables growth with over $291.4 million in net receivables growth associated with the private label credit and general purpose credit card products offered by our bank partners from December 31, 2022 to December 31, 2023. The addition of large private label credit retail partners and ongoing 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 $101.1 million in the twelve months ended December 31, 2023. Our general purpose credit card receivables grew by $190.3 million during the twelve months ended December 31, 2023. While some of our merchant partners continue to face year-over-year growth challenges, others are still benefiting from continued consumer spending and a growing economy. Our general purpose credit card portfolio continues to grow in terms of total customers served and therefore we continue to experience growth in total managed receivables. We expect continued growth in our managed receivables when compared to prior periods in 2023 which were restricted due to tightened underwriting standards adopted during the second quarter 2022 (and continued in subsequent quarters). As these new underwriting standards have now been applied across our portfolio, it has allowed us to expand the offerings our bank partners make available to consumers. Growth in future periods for our private label credit receivables largely is dependent on the addition of new retail partners to the private label credit origination platform, the timing and size of solicitations within the general purpose credit card platform by our bank partner, as well as purchase activity of consumers. Similarly, the loss of existing retail partner relationships could adversely affect new loan acquisition levels. Our top five retail partnerships accounted for over 70% of the above-referenced Retail period-end managed receivables outstanding as of December 31, 2023.

Delinquencies. Delinquencies have the potential to impact net income in the form of net credit losses. Delinquencies also are costly in terms of the personnel and resources dedicated to resolving them. We intend for the receivables management strategies we use on our portfolios to manage and, to the extent possible, reduce the higher delinquency rates that can be expected with the younger average age of the newer receivables in our managed portfolio. These management strategies include conservative credit line management and collection strategies intended to optimize the effective account-to-collector ratio across delinquency categories. We measure the success of these efforts by reviewing delinquency rates. These rates exclude receivables that have been charged off.

During the first and second quarters of 2023 we experienced increased delinquency rates in conjunction with slower receivables growth, higher energy costs and rising inflation and the resulting negative impact on consumers. This increase abated in the third and fourth quarters as certain of these costs decreased and consumers adjusted to new price points for these consumer staples while simultaneously enjoying a strong employment environment.

As we continue to acquire newer private label credit and general purpose credit card receivables, we expect our delinquency rates to marginally increase in 2024 when compared to the same periods in prior years. This increase will be most prevalent in the first quarter of 2024 (and to a lesser degree in the second quarter of 2024) as the remaining accounts that were enrolled in short-term payment deferrals, due to hardship claims resulting from COVID-19, are expected to charge off. Receivables enrolled in these short-term payment deferrals continued to accrue interest and their delinquency status did not change through their respective deferment periods. We continue to actively work with consumers that indicate hardship as a result of COVID-19; however, the number of impacted consumers is a small part of our overall receivable base. In early 2021, nearly all of these customers were considered current and thus the receivables underlying their accounts were not considered delinquent. The exclusion of these accounts resulted in lower delinquency rates for those periods than we would have otherwise expected. The remainder of these accounts were removed from hardship status with the end of the COVID-19 national and public health emergencies on May 11, 2023. While these accounts have resulted in higher than normal reported delinquency rates, the expected charge offs will not result in a further economic impact to us as the majority of these accounts were already considered in our changes in fair value.

Further impacting expected 2024 delinquency rates, is an ongoing planned shift in our receivables mix to higher yielding assets. These assets tend to have higher corresponding delinquencies and chargeoffs and will contribute to marginally higher delinquency rates (and a corresponding higher net interest margin ratio). We also expect continued seasonal payment patterns on these receivables that impact our delinquencies in line with prior periods. For example, delinquency rates historically are lower in the first quarter of each year due to the benefits of seasonally strong payment patterns associated with tax refunds for many consumers. Offsetting some of this expected increase in delinquencies is continued growth in the portfolio which will continue to mute some of the aforementioned delinquency increase. Our beliefs for future delinquency rates are predicated on the assumption that the slowing rate of inflation will continue and our recent tightened underwriting standards implemented in the second quarter 2022 (and continued in subsequent quarters), will prove effective at reducing account delinquencies.

Total managed yield ratio, annualized. During 2021 and much of 2022, we experienced growth in newer, higher yielding receivables, including private label credit and general purpose credit card receivables. While this growth has contributed to higher overall total managed yield ratios, we expect this growth also will continue to result in higher charge-off and delinquency rates than those experienced historically. General purpose credit card receivables tend to have higher total yields than private label credit receivables, so recent declining rates of growth of these receivables have resulted in slightly lower total managed yield ratios when compared to similar periods in prior years. With tightened underwriting standards implemented in the second quarter 2022 (and continued in subsequent quarters), we continue to expect slightly lower managed yield ratios (and correspondingly lower delinquency rates) associated with these newer receivables for early 2024 when compared to those ratios in 2022. Subsequent to the first quarter, we expect our total managed yield ratio to increase as the aforementioned receivables mix shift to higher yielding assets becomes a larger component of our acquired receivables.

Combined principal net charge-off ratio, annualized. We charge off our CaaS segment receivables when they become contractually more than 180 days past due. For all of our products, we charge off receivables within 30 days of notification and confirmation of a customer’s bankruptcy or death. However, in some cases of death, we do not charge off receivables if there is a surviving, contractually liable individual or an estate large enough to pay the debt in full. When the principal of an outstanding loan is charged off, the related finance charges and fees are simultaneously charged off, resulting in a reduction to our Total managed yield.

Growth within our general purpose credit card receivables (as a percent of outstanding receivables) has resulted in increases in our charge-offs over time. The increase in the combined principal net charge-off ratio, annualized in late 2022 and throughout 2023 is a reflection of increased delinquencies noted in 2022 as consumer behavior reverted to historical norms (similar to those experienced in periods prior to COVID-19). Additionally, inflation, particularly as it relates to higher gas prices, negatively impacted some consumers' ability to make payments on outstanding loans and fees receivable.

As delinquency rates continue to be elevated relative to historically normalized levels (i.e., those periods prior to COVID-19 and the related government stimulus programs), and with our ongoing receivables mix shift into products with higher yields and corresponding charge offs, we expect combined principal net charge-off rates to continue to increase, when compared to comparable prior periods. These increased charge-off rates are expected to continue through the second quarter of 2024 before returning to historically normalized levels. This expectation is predicated on the assumption that the slowing rate of inflation will continue. Our charge-off ratio has also been impacted due to (and will continue to be impacted by): 1) charge-offs associated with previously mentioned accounts enrolled in short-term payment deferrals (2) higher expected charge-off rates on the private label credit and general purpose credit card receivables corresponding with higher yields on these receivables, (3) continued testing of receivables with higher risk profiles, which leads to periodic increases in combined principal net charge offs, (4) the aforementioned tightened underwriting standards implemented in the second quarter 2022 (and continued in subsequent quarters) that will slow the pace of growth in our receivables base, and (5) negative impacts on some consumers' ability to make payments on outstanding loans and fees receivable as a result of COVID-19 and the related economic impacts. While charge-offs associated with previously mentioned accounts enrolled in short-term payment deferrals will have a negative impact on our Combined principal net charge-off ratio, annualized through the second quarter of 2024, they are not expected to have a material impact on our consolidated statements of income as the majority of these accounts were already considered in our changes in fair value. Further impacting our charge-off rates are the timing and size of solicitations that serve to minimize charge-off rates in periods of high receivable acquisitions but also exacerbate charge-off rates in periods of lower receivable acquisitions.

Interest expense ratio, annualized. Our interest expense ratio, annualized reflects interest costs associated with our CaaS segment. This includes both direct receivables funding costs as well as general unsecured lending. Recent impacts to this ratio primarily relate to the timing and size of outstanding debt as

well as the addition of new funding facilities. In general, we have obtained lower cost financing with fixed interest rates, resulting in lower interest expense ratios. Recent increases in the federal funds borrowing rate have led to an increase in spreads for newly-originated debt and for that portion of debt which does not have fixed rates. As such, we have seen our Interest expense ratio, annualized increase throughout 2023 and we expect the interest expense ratio to increase when compared to prior quarters throughout 2024 as we replace existing financing arrangements with new ones.

Net interest margin ratio, annualized. Our Net interest margin ratio, annualized represents the difference between our Total managed yield ratio, annualized, our Combined principal net charge-off ratio, annualized and our Interest expense ratio, annualized. Recent declines in this ratio when compared to corresponding prior periods relate primarily to recent (and projected) increases in our principal net charge-offs as noted above. Given recent increases in delinquency rates, we expect this ratio to continue to fall for the fourth quarter of 2023 and into early 2024 relative to corresponding periods in 2022 and 2023 before returning to more historical norms. Changes in the mix shift of acquired receivables noted above will also lead to increases in the Net interest margin, annualized as the higher yielding receivables become a larger component of our total portfolio.

Average APR. The average annual percentage rate ("APR") charged to customers varies by receivable type, credit history and other factors. The APRs for receivables originated through our private label credit platform range from 0% to 36.0%. For general purpose credit card receivables, APRs typically range from 19.99% to 36.0%. We have experienced minor fluctuations in our average APR based on the relative product mix of receivables purchased during a period. For those receivables that did not contain fixed APRs we have seen some increases in rates charged, as the underlying rates are tied to the federal funds borrowing rate which increased throughout 2022 and for the first seven months of 2023. We currently expect our average APRs in 2024 to remain consistent with average APRs over the past several quarters; however, the timing and relative mix of receivables acquired could cause some minor fluctuations. We do not acquire or service receivables that have an APR above 36.0%.

Receivables purchased during period. Receivables purchased during period reflect the gross amount of investments we have made in a given period, net of any credits issued to consumers during that same period. For most periods presented, our private label credit receivable purchases experienced overall growth largely based on the addition of new private label credit retail partners as well as growth within existing retail partnerships, as previously discussed. We may experience periodic declines in these acquisitions due to: the loss of one or more retail partners; seasonal purchase activity by consumers; labor shortages and supply chain disruptions; or the timing of new customer originations by our issuing bank partners. We currently expect to see increases in receivable acquisitions associated with our retail partnerships when compared to the same period in prior years, although we expect the pace of acquisitions to slow. Our general purpose credit card receivable acquisitions tend to have more volatility based on the issuance of new credit card accounts by our issuing bank partners and the availability of capital to fund new purchases. Nonetheless, we expect continued growth in the acquisition of these general purpose credit card receivables during 2024.

Auto Finance Segment

CAR, our auto finance platform acquired in April 2005, principally purchases and/or services loans secured by automobiles from or for, and also provides floor-plan financing for, a prequalified network of independent automotive dealers and automotive finance companies in the buy-here, pay-here used car business. We have expanded these operations to also include certain installment lending products in addition to our traditional loans secured by automobiles both in the U.S. and U.S. territories.

Collectively, as of December 31, 2023, we served 650 dealers through our Auto Finance segment in 32 states and two U.S. territories.

Non-GAAP Financial Measures

For reasons set forth above within our CaaS segment discussion, we also provide managed receivables-based financial, operating and statistical data for our Auto Finance segment. Reconciliation of the auto finance managed receivables data to GAAP data requires an understanding that our managed receivables data are based on billings and actual charge-offs as they occur, without regard to any changes in our allowances for credit losses. Similar to the managed calculation above, the average managed receivables used in the ratios below is calculated based on the quarter ending balances of consolidated receivables.

A reconciliation of our operating revenues to comparable amounts used in our calculation of Total managed yield ratios follows (in millions):

	At or for the Three Months Ended							
	2023				2022			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Consumer loans, including past due fees	$ 10.1	$ 10.1	$ 9.7	$ 9.2	$ 9.0	$ 9.1	$ 8.8	$ 8.3
Fees and related income on earning assets	0.1	—	—	—	—	—	—	—
Other revenue	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3
Total operating revenue	10.4	10.3	9.9	9.4	9.3	9.3	9.0	8.6
Finance charge-offs	—	—	—	—	—	—	—	—
Total managed yield	$ 10.4	$ 10.3	$ 9.9	$ 9.4	$ 9.3	$ 9.3	$ 9.0	$ 8.6

The calculation of Combined principal net charge-offs used in our Combined principal net charge-off ratio, annualized follows (in millions):

	At or for the Three Months Ended							
	2023				2022			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Gross charge-offs	$ 1.1	$ 1.0	$ 0.8	$ 1.0	$ 1.2	$ 0.6	$ 0.4	$ 0.4
Finance charge-offs (1)	—	—	—	—	—	—	—	—
Recoveries	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)	(0.2)	(0.3)
Combined principal net charge-offs	$ 0.6	$ 0.5	$ 0.3	$ 0.6	$ 0.8	$ 0.2	$ 0.2	$ 0.1

(1) Finance charge-offs are included as a component of our Provision for credit losses in the accompanying consolidated statements of income.

Financial, operating and statistical metrics for our Auto Finance segment are detailed (in thousands; percentages of total) in the following tables:

	At or for the Three Months Ended							
	2023							
	Dec. 31	% of Period-end managed receivables	Sep. 30	% of Period-end managed receivables	Jun. 30	% of Period-end managed receivables	Mar. 31	% of Period-end managed receivables
Period-end managed receivables	$ 118,045		$ 118,007		$ 115,055		$ 113,367	
30-59 days past due	$ 9,421	8.0%	$ 8,627	7.3%	$ 8,070	7.0%	$ 6,145	5.4%
60-89 days past due	$ 3,373	2.9%	$ 3,278	2.8%	$ 3,047	2.6%	$ 1,977	1.7%
90 or more days past due	$ 3,542	3.0%	$ 2,607	2.2%	$ 1,699	1.5%	$ 1,942	1.7%
Average managed receivables	$ 118,026		$ 116,531		$ 114,211		$ 109,317	
Total managed yield ratio, annualized (1)	35.2%		35.4%		34.7%		34.4%	
Combined principal net charge-off ratio, annualized (2)	2.0%		1.7%		1.1%		2.2%	
Recovery ratio, annualized (3)	1.7%		1.7%		1.8%		1.5%	

	At or for the Three Months Ended							
	2022							
	Dec. 31	% of Period-end managed receivables	Sep. 30	% of Period-end managed receivables	Jun. 30	% of Period-end managed receivables	Mar. 31	% of Period-end managed receivables
Period-end managed receivables	$ 105,267		$ 107,410		$ 104,563		$ 99,916	
30-59 days past due	$ 8,516	8.1%	$ 6,772	6.3%	$ 7,044	6.7%	$ 4,527	4.5%
60-89 days past due	$ 2,969	2.8%	$ 2,248	2.1%	$ 2,361	2.3%	$ 1,481	1.5%
90 or more days past due	$ 2,060	2.0%	$ 1,434	1.3%	$ 1,106	1.1%	$ 1,260	1.3%
Average managed receivables	$ 106,339		$ 105,987		$ 102,240		$ 97,248	
Total managed yield ratio, annualized (1)	35.0%		35.1%		35.2%		35.4%	
Combined principal net charge-off ratio, annualized (2)	3.0%		0.8%		0.8%		0.4%	
Recovery ratio, annualized (3)	1.5%		1.5%		0.8%		1.2%	

(1) The total managed yield ratio, annualized is calculated using the annualized Total managed yield as the numerator and Period-end average managed receivables as the denominator.

(2) The Combined principal net charge-off ratio, annualized is calculated using the annualized Combined principal net charge-offs as the numerator and Period-end average managed receivables as the denominator.

(3) The Recovery ratio, annualized is calculated using annualized Recoveries as the numerator and Period-end average managed receivables as the denominator.

Managed receivables. We expect modest growth in the level of our managed receivables in 2024 when compared to the same periods in prior years as CAR expands within its current geographic footprint and continues plans for service area expansion. Although we continue to expand our CAR operations, the Auto Finance segment faces strong competition from other specialty finance lenders, as well as the indirect effects on us of our buy-here, pay-here dealership partners' competition with other franchise dealerships for consumers interested in purchasing automobiles. We continually evaluate bulk purchases of receivables and have experienced good growth in our receivables base throughout 2023 resulting from several bulk purchases; however, the timing and size of such purchases are difficult to predict.

Delinquencies. As discussed elsewhere in this Report, early 2022 delinquency rates benefitted from government stimulus programs that resulted in customer payments in excess of historical experience. While we have experienced recent increases in our delinquency rates (and related charge-offs), we do not believe they will have a significantly adverse impact on our results of operations; even at slightly elevated rates, we earn significant yields on CAR's receivables and have significant dealer reserves (i.e., retainages or holdbacks on the amount of funding CAR provides to its dealer customers) to protect against meaningful credit losses. Delinquency rates also tend to fluctuate based on seasonal trends and historically are lower in the first quarter of each year as seen above due to the benefits of strong payment patterns associated with tax refunds for many consumers.

Total managed yield ratio, annualized. We have experienced modest fluctuations in our total managed yield ratio largely impacted by the relative mix of receivables in various products offered by CAR as some shorter-term product offerings tend to have higher yields. Yields on our CAR products over the last few quarters are consistent with our expectations over the coming quarters. Further, we expect our total managed yield ratio to remain in line with current experience, with moderate fluctuations based on relative growth or declines in average managed receivables for a given quarter. These variations depend on the relative mix of receivables in our various product offerings. Additionally, our product offerings in the U.S. territories tend to have slightly lower yields than those offered in the U.S. As such, growth in that region also will serve to slightly depress our overall total managed yield ratio, yet we expect growth in that region to continue to generate attractive returns on assets.

Combined principal net charge-off ratio, annualized and recovery ratio, annualized. We charge off auto finance receivables when they are between 120 and 180 days past due, unless the collateral is repossessed and sold before that point, in which case we will record a charge off when the proceeds are received. Combined principal net charge-off ratios in the above table reflect the lower delinquency rates we have recently experienced. Increases in our Combined principal net charge-off ratios for the fourth quarter of 2022 and throughout 2023 are indicative of our charge off levels returning to historically normalized levels (i.e., those periods prior to COVID-19 and the related government stimulus programs). While we anticipate our charge offs to be incurred ratably across our portfolio of dealers, specific dealer-related losses are difficult to predict and can negatively influence our combined principal net charge-off ratio. We continually re-assess our dealers and will take appropriate action if we believe a particular dealer's risk characteristics adversely change. While we have appropriate dealer reserves to mitigate losses across the majority of our pool of receivables, the timing of recognition of these reserves as an offset to charge offs is largely dependent on various factors specific to each of our dealer partners including ongoing purchase volumes, outstanding balances of receivables and current performance of outstanding loans. As such, the timing of charge-off offsets is difficult to predict; however, we believe that these reserves are adequate to offset any loss exposure we may incur. Additionally, the products we issue in the U.S. territories do not have dealer reserves with which we can offset losses. We also expect our recovery rate to fluctuate modestly from quarter to quarter due to the timing of the sale of repossessed autos.

Definitions of Certain Non-GAAP Financial Measures

Total managed yield ratio, annualized. Represents an annualized fraction, the numerator of which includes (as appropriate for each applicable disclosed segment) the: 1) finance charge and late fee income billed on all consolidated outstanding receivables and the amortization of merchant fees, collectively included in the consumer loans, including past due fees category on our consolidated statements of income; plus 2) credit card fees (including over-limit fees, cash advance fees, returned check fees and interchange income), earned, amortized amounts of annual membership fees with respect to certain credit card receivables, collectively included in our fees and related income on earning assets category on our consolidated statements of income; plus 3) servicing, other income and other activities collectively included in our other operating income category on our consolidated statements of income; minus 4) finance charge and fee losses from consumers unwilling or unable to pay their receivables balances, as well as from bankrupt and deceased consumers. The denominator is our average managed receivables.

Combined principal net charge-off ratio, annualized. Represents an annualized fraction, the numerator of which is the aggregate consolidated amounts of principal losses from consumers unwilling or unable to pay their receivables balances, as well as from bankrupt and deceased consumers, less current-period recoveries (including recoveries from dealer reserve offsets for our CAR operations), as reflected in Note 2 "Significant Accounting Policies and Consolidated Financial Statement Components—Loans, Interest and Fees Receivable", and the denominator of which is average managed receivables. Recoveries on managed receivables represent all amounts received related to managed receivables that previously have been charged off, including payments received directly from consumers and proceeds received from the sale of those charged-off receivables. Recoveries typically have represented less than 2% of average managed receivables.

Interest expense ratio, annualized. Represents an annualized fraction, the numerator of which is the annualized interest expense associated with the CaaS segment (See Note 3, "Segment Reporting" to our consolidated financial statements) and the denominator of which is average managed receivables.

Net interest margin ratio, annualized. Represents the Total managed yield ratio, annualized less the Combined principal net charge-off ratio, annualized less the Interest expense ratio, annualized.

LIQUIDITY, FUNDING AND CAPITAL RESOURCES

Our primary focus is expanding the reach of our financial technology in order to grow our private label credit and general purpose credit card receivables and generate revenues from these investments that will allow us to maintain consistent profitability. Increases in new and existing retail partnerships and the expansion of our investments in general purpose credit card finance products have resulted in year-over-year growth of total managed receivables levels, and we expect growth to continue in the coming quarters.

Accordingly, we will continue to focus on (i) obtaining the funding necessary to meet capital needs required by the growth of our receivables, (ii) adding new retail partners to our platform to continue growth of the private label credit receivables, (iii) growing general purpose credit card receivables, (iv) effectively managing costs, and (v) repurchasing outstanding shares of our common and preferred stock. We believe that our actions taken to date, our unrestricted cash, future cash provided by operating activities, availability under our debt facilities, and access to the capital markets will provide adequate resources to fund our operating and financing needs.

All of our CaaS segment's structured financing facilities are expected to amortize down with collections on the receivables within their underlying trusts and should not represent significant refunding or refinancing risks to our consolidated balance sheets. Facilities that could represent near-term significant refunding or refinancing needs (within the next 24 months) as of December 31, 2023 are those associated with the following notes payable in the amounts indicated (in millions):

Unsecured term debt (expiring August 26, 2024)	$	17.4
Revolving credit facility (expiring December 11, 2024) that is secured by certain receivables and restricted cash		14.3
Revolving credit facility (expiring July 20, 2025) that is secured by certain receivables and restricted cash		47.5
Revolving credit facility (expiring October 30, 2025) that is secured by certain receivables and restricted cash		38.6
Revolving credit facility (expiring November 1, 2025) that is secured by certain receivables and restricted cash		42.7
Total	$	160.5

Based on the state of the debt capital markets, the performance of our assets that serve as security for the above facilities, and our relationships with lenders, we view imminent refunding or refinancing risks with respect to the above facilities as moderate in the current environment. We believe that the quality of our new receivables should allow us to raise more capital through increasing the size of our facilities with our existing lenders and attracting new lending relationships, albeit at increased costs due to the aforementioned recent increases in the federal funds rate. Further details concerning the above debt facilities and other debt facilities we use to fund the acquisition of receivables are provided in Note 10, "Notes Payable," to our consolidated financial statements included herein.

In November 2021, we issued $150.0 million aggregate principal amount of senior notes (included on our consolidated balance sheet as "Senior notes, net"). The senior notes are general unsecured obligations of the Company and rank equally in right of payment with all of the Company's existing and future senior unsecured and unsubordinated indebtedness, and will rank senior in right of payment to the Company's future subordinated indebtedness, if any. The senior notes are effectively subordinated to all of the Company's existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, and the senior notes are structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) of the Company's subsidiaries (excluding any amounts owed by such subsidiaries to the Company). The senior notes bear interest at the rate of 6.125% per annum. Interest on the senior notes is payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year. The senior notes mature on November 30, 2026. We repurchased $1.4 million and $0.0 of the outstanding principal amount of these senior notes for years ended December 31, 2023 and 2022, respectively.

In June and July 2021, we issued an aggregate of 3,188,533 shares of 7.625% Series B Cumulative Perpetual Preferred Stock, liquidation preference of $25.00 per share (the "Series B Preferred Stock"), for net proceeds of approximately $76.5 million after deducting underwriting discounts and commissions, but before deducting expenses and the structuring fee. We pay cumulative cash dividends on the Series B Preferred Stock, when and as declared by our Board of Directors, in the amount of $1.90625 per share each year, which is equivalent to 7.625% of the $25.00 liquidation preference per share.

On August 10, 2022, the Company entered into an At Market Issuance Sales Agreement (the "Preferred Stock Sales Agreement") providing for the sale by the Company of up to an aggregate offering price of $100.0 million of our (i) Series B Preferred Stock and (ii) senior notes, from time to time through a sales agent, in connection with the Company's "at-the-market" offering program (the "Preferred Stock ATM Program"). Further, on December 29, 2023, the Company entered into an At-The-Market Sales Agreement (the "Common Stock Sales Agreement") providing for the sale by the Company of its common stock, no par value per share (the "Common Stock"), up to an aggregate offering price of $50.0 million, from time to time to or through a sales agent, in connection with the Company's Common Stock "at-the-market" offering program (the "Common Stock ATM Program"). Sales pursuant to both the Preferred Stock Sales Agreement and Common Stock Sales Agreement, if any, may be made in transactions that are deemed to be "at-the-market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on or through the NASDAQ Global Select Market. The sales agents will make all sales using commercially reasonable efforts consistent with their normal trading and sales practices up to the amount specified in, and otherwise in accordance with the terms of, the placement notices.

During the years ended December 31, 2023 and 2022, we sold 53,727 shares and 19,607 shares, respectively, of our Series B Preferred Stock under the Preferred Stock ATM Program. We received $1.1 million and $0.4 million, respectively, in net proceeds from sales under the Preferred Stock ATM Program. During the year ended December 31, 2023, no shares were sold under our Common Stock ATM Program.

During the years ended December 31, 2023 and 2022, we repurchased and contemporaneously retired 1,806 shares and 3,500 shares of Series B Preferred Stock at an aggregate cost of $29,000 and $69,000, respectively.

On November 14, 2019, a wholly-owned subsidiary issued 50.5 million Class B preferred units at a purchase price of $1.00 per unit to an unrelated third party. The units carry a 16% preferred return paid quarterly, with up to 6 percentage points of the preferred return to be paid through the issuance of

additional units or cash, at our election. The units have both call and put rights and are also subject to various covenants including a minimum book value, which if not satisfied, could allow for the securities to be put back to the subsidiary. In March 2020, the subsidiary issued an additional 50.0 million Class B preferred units under the same terms. A holder of the Class B Preferred Units may, at its election, require the Company to redeem part or all of such holder's Class B Preferred Units for cash at $1.00 per unit, on or after October 14, 2024. The proceeds from the transaction were used for general corporate purposes. We have included the issuance of these Class B preferred units as temporary noncontrolling interest on the consolidated balance sheets. Dividends paid on the Class B preferred units are deducted from Net income attributable to controlling interests to derive Net income attributable to common shareholders. See Note 5, "Redeemable Preferred Stock" and Note 13, "Net Income Attributable to Controlling Interests Per Common Share" to our consolidated financial statements for more information.

On November 26, 2014, we and certain of our subsidiaries entered into a Loan and Security Agreement with Dove Ventures, LLC, a Nevada limited liability company ("Dove"). The agreement provided for a senior secured term loan facility in an amount of up to $40.0 million at any time outstanding. On December 27, 2019, the Company issued 400,000 shares of its Series A Preferred Stock with an aggregate initial liquidation preference of $40.0 million, in exchange for full satisfaction of the $40.0 million that the Company owed Dove under the Loan and Security Agreement. Dividends on the preferred stock are 6% per annum (cumulative, non-compounding) and are payable as declared, and in preference to any common stock dividends, in cash. The Series A Preferred Stock is perpetual and has no maturity date. The Company may, at its option, redeem the shares of Series A Preferred Stock on or after January 1, 2025 at a redemption price equal to $100 per share, plus any accumulated and unpaid dividends. At the request of the holders of a majority of the shares of the Series A Preferred Stock, the Company is required to offer to redeem all of the Series A Preferred Stock at a redemption price equal to $100 per share, plus any accumulated and unpaid dividends, at the option of the holders thereof, on or after January 1, 2024. Upon the election by the holders of a majority of the shares of Series A Preferred Stock, each share of the Series A Preferred Stock is convertible into the number of shares of the Company's common stock as is determined by dividing (i) the sum of (a) $100 and (b) any accumulated and unpaid dividends on such share by (ii) an initial conversion price equal to $10 per share, subject to adjustment in certain circumstances to prevent dilution.

At December 31, 2023, we had $339.3 million in unrestricted cash held by our various business subsidiaries. Because the characteristics of our assets and liabilities change, liquidity management is a dynamic process for us, driven by the pricing and maturity of our assets and liabilities. We historically have financed our business through cash flows from operations, asset-backed structured financings and the issuance of debt and equity. Details concerning our cash flows for the years ended December 31, 2023 and 2022 are as follows:

- During the year ended December 31, 2023, we generated $459.3 million of cash flows from operations compared to our generation of $347.6 million of cash flows from operations during the year ended December 31, 2022. The increase in cash provided by operating activities was principally related to an increase in finance and fee collections associated with growing private label credit and general purpose credit card receivables as well as decreased year-over-year payments made to pay federal and state taxes. Collections on receivables have generally benefited from increased consumer payments as a result of government stimulus payments. As the impact of these stimulus payments has largely diminished, consumer payments have returned to historical levels.
- During the year ended December 31, 2023, we used $672.2 million of cash from our investing activities, compared to use of $682.3 million of cash from investing activities during the year ended December 31, 2022. This slight decrease in cash used is primarily due to decreases in the level of net investments primarily in general purpose credit card receivables relative to the same period in 2022 resulting from tightened underwriting standards as well as marginal increases in recoveries on charged-off receivables.
- During the year ended December 31, 2023, we generated $163.3 million of cash from financing activities, compared to our generating $261.3 million of cash from financing activities during the year ended December 31, 2022. In both periods, the data reflect borrowings associated with private label credit and general purpose credit card receivables (discussed further in Note 10, "Notes Payable") offset by net repayments of amortizing debt facilities as payments are made on the underlying receivables that serve as collateral. Additionally offsetting the decline in cash provided from financing activities between 2023 and 2022, we purchased and retired $89.0 million of our common stock during the year ended December 31, 2022 pursuant to both open market and private purchases and the return of stock by holders of equity incentive awards to pay tax withholding obligations compared to $17.7 million of such purchases during the year ended December 31, 2023.

Beyond our immediate financing efforts discussed throughout this Report, we will continue to evaluate debt and equity issuances as a means to fund our investment opportunities. We expect to take advantage of any opportunities to raise additional capital if terms and pricing are attractive to us. Any proceeds raised under these efforts or additional liquidity available to us could be used to fund (1) additional investments in private label credit and general purpose credit card finance receivables as well as the acquisition of credit card receivables portfolios and (2) further repurchases or redemptions of preferred and common stock. Pursuant to share repurchase plans authorized by our Board of Directors, we are authorized to repurchase up to 5,000,000 shares of our common stock and 500,000 shares of our Series B Preferred Stock through June 30, 2024.

CONTRACTUAL OBLIGATIONS, COMMITMENTS AND OFF-BALANCE-SHEET ARRANGEMENTS

Commitments and Contingencies

We do not currently have any off-balance-sheet arrangements; however, we do have certain contractual arrangements that would require us to make payments or provide funding if certain circumstances occur; we refer to these arrangements as contingent commitments. We do not currently expect that these contingent commitments will result in any material amounts being paid by us. See Note 11, "Commitments and Contingencies," to our consolidated financial statements included herein for further discussion of these matters.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2, "Significant Accounting Policies and Consolidated Financial Statement Components," to our consolidated financial statements included herein for a discussion of recent accounting pronouncements.

CRITICAL ACCOUNTING ESTIMATES

We have prepared our financial statements in accordance with GAAP. These principles are numerous and complex. We have summarized our significant accounting policies in the notes to our consolidated financial statements. In many instances, the application of GAAP requires management to make estimates or to apply subjective principles to particular facts and circumstances. A variance in the estimates used or a variance in the application or interpretation of GAAP could yield a materially different accounting result. It is impracticable for us to summarize every accounting principle that requires us to use judgment or estimates in our application. Nevertheless, we describe below the areas for which we believe that the estimations, judgments or interpretations that we have made, if different, would have yielded the most significant differences in our consolidated financial statements.

On a quarterly basis, we review our significant accounting policies and the related assumptions, in particular, those mentioned below, with the audit committee of the Board of Directors.

Measurements for Loans at Fair Value

Our valuation of loans at fair value is based on the present value of future cash flows using a valuation model of expected cash flows and the estimated cost to service and collect those cash flows. Our valuation model uses inputs that are not observable but reflect our best estimates of the assumptions a market participant would use to calculate fair value. We estimate the present value of these future cash flows using a valuation model consisting of internally-developed estimates of assumptions third-party market participants would use in determining fair value, including estimates of gross yield billed by our bank partner, purchase and payment rates by consumers, expected credit loss rates due to nonpayment on the receivables, expected servicing costs to collect cash flows, and discount rates which approximate required returns by a purchaser of expected cash flows. All of these assumptions are primarily based on historical performance. These valuation models are calculated by combining similarly priced loans and vintages to determine a stream of expected cash flows which are then discounted. The individual discounted pools of cash flows are then aggregated to determine the total expected discounted cash flows on the outstanding receivable at a given measurement period.

The estimates for the above mentioned assumptions significantly affect the reported amount (and changes thereon) of our loans at fair value on our consolidated balance sheets and consolidated statements of income. For a summary of how certain key inputs (derived from the above assumptions) to our valuation model have changed since December 31, 2022, refer to Note 6 "Fair Values of Assets and Liabilities" in the accompanying notes to the Consolidated Financial Statements, included in this report. For more information regarding the potential impact that changes in these key inputs might have on our Income before income taxes on our Consolidated Statements of Operations, refer to Item 7A., "Quantitative and Qualitative Disclosures About Market Risk" included elsewhere in this report.

Allowances for credit losses

Through our analysis of loan performance, delinquency data, charge-off data, economic trends and the potential effects of those economic trends on consumers, we establish allowances for credit losses as an estimate of the expected credit losses inherent with those loans, interest and fees receivable that we do not report at fair value. Our loans at amortized cost consist of smaller-balance, homogeneous loans in our Auto Finance segment. These loans are further divided into pools based on common characteristics such as contract or acquisition channel. For each pool, we determine the necessary allowances for credit losses using reasonable and supportable forecasts that analyze some or all of the following attributes unique to each type of receivable pool: historical loss rates on similar loans; current delinquency and roll-rate trends which may indicate consumer loss rates in excess or less than those which historical trends might suggest; vintage analyses based on the number of months an account has been in existence; the effects of changes in the economy on consumers such as inflation or other macroeconomic changes; changes in underwriting criteria; unfunded commitments (to the extent they are unconditional), and estimated recoveries. The aforementioned inputs are calculated using historical trends over the most recent five year period, and adjusted as needed for current trends and reasonable and supportable forecasts. These inputs are considered in conjunction with (and potentially reduced by) any unearned fees and discounts that may be applicable for an outstanding loan receivable. To the extent that actual results differ from our estimates of credit losses on loans at amortized cost, our results of operations and liquidity could be materially affected.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Sensitivity and Market Risk

In the ordinary course of business, we are exposed to various risks, particularly related to our private label credit and general purpose credit cards as well as our Auto Finance segment. These risks primarily relate to interest rate risk, credit risk, market return risk, payment risk and counterparty risk, each of which is described below.

Interest Rate Risk

Interest rate risk reflects the risk that, as interest rates rise on secured debt, we are unable to reprice the underlying assets that serve as collateral for that debt. Certain of our financing facilities are priced at spreads over floating interest rates (such as SOFR or the Prime Rate) and, as such, increases in those rates could have a negative impact on our results of operations. We mitigate this risk by minimizing the amount of debt subject to interest rate fluctuations with the significant majority of our debt facilities bearing fixed interest rates. To the extent interest rates on our non-fixed interest rate facilities increase, our margin (between a floating cost of funds and a fixed rate interest income stream on the underlying collateral) may become compressed to the extent we are unable to reprice those assets.

All of our Auto Finance segment's loans receivable are fixed rate amortizing loans and typically are not eligible to be repriced. As such, we incur interest rate risks within our Auto Finance segment because funding under our structured financing facilities is priced at a spread over a floating rate benchmark. In a rising rate environment, our net interest margin between a floating cost of funds and a fixed rate interest income stream may become compressed. We believe we are able to effectively mitigate this risk due to the short term nature of many of our receivables and the ability to adjust pricing on new receivable purchases.

The following table summarizes the potential effect on pre-tax earnings over the next 12 months from interest expense, assuming we are unable to reprice the underlying assets that serve as collateral, on that portion of notes payable subject to interest rate volatility. The sensitivity analysis performed by management assumes an immediate hypothetical increase and decrease in market interest rates of 100 basis points (dollars in millions). Actual results could differ materially from these estimates:

		Impact on Pre-Tax earnings if Interest Rates:	
	As of December 31, 2023	Increase 100 Basis Points	Decrease 100 Basis Points
Notes payable subject to interest rate risk	$ 208.1	$ (2.1)	$ 2.1

Credit Risk

Credit risk is the risk of default that results from a consumer who is unwilling or unable to pay his or her receivable balance. Most receivables associated with our private label credit and general purpose credit cards serve as collateral on debt for which creditors do not have recourse against the general assets of the Company. As such, for these assets, our credit risk is limited to repurchase obligations due to fraud or origination defects. For those assets that do not serve as collateral for debt or for which creditors on collateralized debt have recourse against the general assets of the Company, we are subject to credit risk to the extent we are not able to fully recover the principal balance of the receivable. We minimize this risk through a robust underwriting and fraud detection process designed to minimize losses and comply with applicable laws and our standards. In addition, we believe this risk is mitigated by our deep experience in customer service and collections from more than 25 years of operations.

The following table summarizes (in millions) the potential effect on pre-tax earnings and the potential effect on the fair values of loans on our consolidated balance sheet as of June 30, 2023, based on a sensitivity analysis performed by management assuming an immediate hypothetical change in credit loss rates by 10% for the next 12 months. The sensitivity does not factor in other associative impacts that could occur in such a scenario. This could include both active and passive account actions including limiting purchases, assessments of additional fees or increases in interest rates. The fair value and earnings sensitivities are applied only to financial assets that existed at the balance sheet date, which included our loans, interest and fees receivable, at fair value and our loans, interest and fees receivable, gross. Actual results could differ materially from these estimates:

		Impact if Credit Loss Rates:	
	As of December 31, 2023	Increase 10 Percent	Decrease 10 Percent
Loans at fair value	$ 2,173.8	$ 2,084.1	$ 2,263.4
Loans at amortized cost, net	$ 98.4	$ 98.2	$ 98.6
Income (loss) before income taxes		$ (89.9)	$ 89.8

Market Return Risk

We are exposed to the risk of loss that may result from changes in required market rates of return. We are exposed to such market return risk directly through our loans, interest and fees receivable, at fair value which are measured on a recurring basis. Loans, interest and fees receivable, at fair value rely upon unobservable inputs. These are measured at fair value using a discounted cash flow methodology in which the discount rate represents estimates third-party market participants could use in determining fair value. The discount rates for our Loans, interest and fees receivable, at fair value may change due to changes in expected loan performance or changes in the expected returns of similar financial instruments available in the market.

The following table summarizes (in millions) the potential effect on pre-tax earnings and the potential effect on the fair values of loans on our consolidated balance sheet as of June 30, 2023, based on a sensitivity analysis performed by management assuming an immediate hypothetical change in required market rates of return by 10%. The fair value and earnings sensitivities are applied only to financial assets that existed at the balance sheet date, which

included all of our loans, interest and fees receivable, at fair value and our loans, interest and fees receivable, gross. Actual results could differ materially from these estimates:

	As of December 31, 2023	Impact if Discount Rates: Increase 10 Percent	Impact if Discount Rates: Decrease 10 Percent
Loans at fair value	$ 2,173.8	$ 2,132.6	$ 2,216.3
Income (loss) before income taxes		$ (41.2)	$ 42.5

Payment Risk

Payment risk reflects the risk that changes in the economy could result in reduced payment rates on our receivables. In a strong economy, consumers' incomes may increase which may lead to increased payment rates. In a weak economy, consumers' incomes may decrease which may lead to decreased payment rates. Likewise, the availability of government stimulus payments to consumers during a weak economy may cause payment rates to increase. Similar to our credit risk, we believe this risk is mitigated by our deep experience in customer service and collections from over 25 years of operations. We may also take active and passive account actions including limiting purchases, assessments of additional fees or increases in interest rates if results indicate a possible exposure.

The following table summarizes (in millions) the potential effect on pre-tax earnings and the potential effect on the fair values of loans on our consolidated balance sheet as of June 30, 2023, based on a sensitivity analysis performed by management assuming an immediate hypothetical change in payment rates by 10% for the next 12 months. The sensitivity does not factor in other associative impacts that could occur in such a scenario. This could include both active and passive account actions including limiting purchases, assessments of additional fees or increases in interest rates. The fair value and earnings sensitivities are applied only to financial assets that existed at the balance sheet date, which included only our loans, interest and fees receivable, at fair value. Actual results could differ materially from these estimates:

		Impact if Payment Rates:	
	As of December 31, 2023	**Increase 10 Percent**	**Decrease 10 Percent**
Loans at fair value	$ 2,173.8	$ 2,235.4	$ 2,112.1
Income (loss) before income taxes		$ 61.6	$ (61.7)

Counterparty Risk

We are subject to risk if a counterparty chooses not to renew a borrowing agreement and we are unable to obtain financing to acquire loans. We seek to mitigate this risk by ensuring that we have sufficient borrowing capacity with a variety of well-established counterparties to meet our funding needs. As of December 31, 2023, we had total borrowings associated with our loans at fair value and our loans at amortized cost of $1.9 billion. Refer to Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity, Funding and Capital Resources" and Note 10 "Notes Payable" to our consolidated financial statements included herein for further information on our outstanding Notes Payable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the Index to Financial Statements in Item 15, "Exhibits and Financial Statement Schedules."

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2023, an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Act) was carried out on behalf of Atlanticus Holdings Corporation and our subsidiaries by our management and with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer). Based upon the evaluation, our principal executive officer and principal financial officer concluded that these disclosure controls and procedures were effective as of December 31, 2023.

Management's Report on Internal Control over Financial Reporting

Management of Atlanticus Holdings Corporation is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Act) for Atlanticus Holdings Corporation and our subsidiaries. Our management conducted an evaluation of the effectiveness of internal control over financial reporting as of December 31, 2023, based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") *Internal Control-Integrated Framework (2013 framework)*.

Based on our evaluation under the COSO 2013 framework, management has concluded that internal control over financial reporting was effective as of December 31, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2023, has been audited by BDO USA, P.C., an independent registered public accounting firm, as stated in their accompanying attestation report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. BDO's report is on page F-1 of the attached financial statements.

Remediation of Previously Reported Material Weakness

As previously reported, the Company's management determined that they did not maintain effective controls and retain sufficient documentary evidence to support the precision of review over the development of cash flow forecasts used in the calculation of the fair value estimate of loans at fair value. This deficiency represented a material weakness in the Company's internal control over financial reporting.

The Company's management is committed to maintaining a strong internal control environment. In response to the material weakness identified above, management, with the oversight of the Audit Committee of the Board of Directors, evaluated the material weakness described above and designed a remediation plan to enhance the Company's internal control environment. To remediate the material weakness, the Company's management enhanced the design of certain review controls to include sufficient precision of management's review as well as retain incremental evidence that supports the effectiveness of controls related to the development and review of cash flow forecasts used in the calculation of the fair value estimate of loans at fair value. These enhanced controls were implemented as of June 30, 2023, and have been tested and determined to be operating effectively for a sufficient period of time. Accordingly, the Company concluded that the material weakness identified above has been effectively remediated as of December 31, 2023.

Changes in Internal Control Over Financial Reporting

During the quarter ended December 31, 2023, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Act) occurred that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls

The Company's management, including its principal executive officer and principal financial officer, do not expect that the Company's disclosure controls and procedures or the Company's internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933, as amended).

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item will be set forth in our Proxy Statement for the 2024 Annual Meeting of Shareholders in the sections entitled "Proposal One: Election of Directors," "Executive Officers of Atlanticus," "Delinquent Section 16(a) Reports" and "Corporate Governance" and is incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item will be set forth in our Proxy Statement for the 2024 Annual Meeting of Shareholders in the section entitled "Executive and Director Compensation" and is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item will be set forth in our Proxy Statement for the 2024 Annual Meeting of Shareholders in the sections entitled "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" and is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be set forth in our Proxy Statement for the 2024 Annual Meeting of Shareholders in the sections entitled "Related Party Transactions" and "Corporate Governance" and is incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item will be set forth in our Proxy Statement for the 2024 Annual Meeting of Shareholders in the section entitled "Auditor Fees" and is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this Report:

1. Financial Statements

INDEX TO FINANCIAL STATEMENTS

2. Financial Statement Schedules

None.

3. Exhibits

Exhibit Number	Description of Exhibit	Incorporated by Reference from Atlanticus' SEC Filings Unless Otherwise Indicated(1)
3.1	Amended and Restated Articles of Incorporation	November 8, 2022, Form 10-Q, exhibit 3.1
3.1(a)	Articles of Amendment Establishing Cumulative Convertible Preferred Stock, Series A (included as Exhibit B to Exhibit 3.1 hereto)	November 8, 2022, Form 10-Q, exhibit 3.1
3.1(b)	Amended and Restated Articles of Amendment Establishing the 7.625% Series B Cumulative Perpetual Preferred Stock (included as Exhibit C to Exhibit 3.1 hereto)	November 8, 2022, Form 10-Q, exhibit 3.1
3.2	Amended and Restated Bylaws (as amended through May 12, 2017)	May 16, 2017, Form 8-K, exhibit 3.2
4.1	Description of Atlanticus Holdings Corporation's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934	Filed herewith
4.2	Form of common stock certificate	March 30, 2016, Form 10-K, exhibit 4.1
4.3	Indenture, dated as of November 22, 2021, by and between Atlanticus Holdings Corporation and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee	November 22, 2021, Form 8-K, exhibit 4.1
4.3(a)	First Supplemental Indenture, dated as of November 22, 2021, by and between Atlanticus Holdings Corporation and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee	November 22, 2021, Form 8-K, exhibit 4.2
4.3(b)	Form of 6.125% Senior Notes due 2026 (included in Exhibit 4.3(a)	November 22, 2021, Form 8-K, exhibit 4.3
4.3(c)	Second Supplemental Indenture, dated as of January 30, 2024, by and between Atlanticus Holdings Corporation and U.S. Bank Trust Company, National Association, as trustee	February 2, 2024, Form 8-K, exhibit 4.1
4.3(d)	Form of Additional 6.125% Senior Notes due 2026 (included in Exhibit 4.3(c))	February 2, 2024, Form 8-K, exhibit 4.2
4.3(e)	Third Supplemental Indenture, dated as of January 30, 2024, by and between Atlanticus Holdings Corporation and U.S. Bank Trust Company, National Association, as trustee	January 30, 2024, Form 8-K, exhibit 4.1
4.3(f)	Form of 9.25% Senior Notes due 2029 (included in Exhibit 4.3(e))	January 30, 2024, Form 8-K, exhibit 4.2
10.1**	Stockholders Agreement dated as of April 28, 1999	January 18, 2000, Form S-1, exhibit 10.1
10.2†	Fourth Amended and Restated 2014 Equity Incentive Plan	April 11, 2019, Definitive Proxy Statement on Schedule 14A, Appendix A
10.2(a)†	Form of Restricted Stock Agreement–Directors	August 14, 2019, Form 10-Q, exhibit 10.2
10.2(b)†	Form of Restricted Stock Agreement–Employees	August 14, 2019, Form 10-Q, exhibit 10.3
10.2(c)†	Form of Stock Option Agreement–Directors	August 14, 2019, Form 10-Q, exhibit 10.4
10.2(d)†	Form of Stock Option Agreement–Employees	August 14, 2019, Form 10-Q, exhibit 10.5
10.2(e)†	Form of Restricted Stock Unit Agreement–Directors	August 14, 2019, Form 10-Q, exhibit 10.6
10.2(f)†	Form of Restricted Stock Unit Agreement–Employees	August 14, 2019, Form 10-Q, exhibit 10.7
10.3†	Second Amended and Restated Employee Stock Purchase Plan	April 10, 2018, Definitive Proxy Statement on Schedule 14A, Appendix A
10.4†	Amended and Restated Employment Agreement, dated March 18, 2021, between Atlanticus Holdings Corporation and David G. Hanna	May 14, 2021, Form 10-Q, exhibit 10.1
10.5†	Amended and Restated Employment Agreement, dated March 18, 2021, between	May 14, 2021, Form 10-Q, exhibit 10.2

	Atlanticus Holdings Corporation and Jeffrey A. Howard	
10.6†	Employment Agreement for William R. McCamey	March 28, 2014, Form 10-K, exhibit 10.8
10.7†	Amended and Restated Consultant Agreement, dated May 1, 2020, between Atlanticus Services Corporation and Denise M. Harrod	May 14, 2021, Form 10-Q, exhibit 10.4
10.8†	Outside Director Compensation Package	Filed herewith
10.9	Assumption Agreement dated June 30, 2009 between Atlanticus Holdings Corporation (formerly CompuCredit Holdings Corporation) and Atlanticus Services Corporation (formerly CompuCredit Corporation)	July 7, 2009, Form 8-K, exhibit 10.1
10.10	Master Indenture for Perimeter Master Note Business Trust, dated February 8, 2017, among Perimeter Master Note Business Trust, U.S. Bank National Association and Atlanticus Services Corporation	May 15, 2017, Form 10-Q, exhibit 10.1

Exhibit Number	Description of Exhibit	Incorporated by Reference from Atlanticus' SEC Filings Unless Otherwise Indicated(1)
10.11*	Purchase Agreement, dated February 8, 2017, among TSO-Fortiva Notes Holdco LP, TSO-Fortiva Certificate Holdco LP, Perimeter Funding Corporation, Atlanticus Services Corporation and Perimeter Master Note Business Trust	March 15, 2022, Form 10-K, exhibit 10.11(k)
10.11(a)*	First Amendment to Purchase Agreement, dated June 11, 2018, among TSO-Fortiva Notes Holdco LP, TSO-Fortiva Certificate Holdco LP, Perimeter Funding Corporation, Access Financing, LLC and Perimeter Master Note Business Trust	March 30, 2020, Form 10-K, exhibit 10.11(k)
10.11(b)*	Second Amendment to Purchase Agreement, dated November 16, 2018, among TSO-Fortiva Notes Holdco LP, TSO-Fortiva Certificate Holdco LP, Perimeter Funding Corporation, Access Financing, LLC and Perimeter Master Note Business Trust	March 30, 2020, Form 10-K, exhibit 10.11(l)
10.11(c)	Third Amendment to Purchase Agreement, dated November 13, 2019, among TSO-Fortiva Notes Holdco LP, TSO-Fortiva Certificate Holdco LP, Perimeter Funding Corporation, Access Financing, LLC and Perimeter Master Note Business Trust	March 30, 2020, Form 10-K, exhibit 10.11(m)
10.11(d)*	Fourth Amendment to Purchase Agreement, dated January 23, 2020, among TSO-Fortiva Notes Holdco LP, TSO-Fortiva Certificate Holdco LP, Perimeter Funding Corporation, Access Financing, LLC and Perimeter Master Note Business Trust	March 30, 2020, Form 10-K, exhibit 10.11(n)
10.11(e)*	Purchase Agreement, dated November 16, 2018, among TSO-Fortiva Notes Holdco LP, Perimeter Funding Corporation, Access Financing, LLC and Perimeter Master Note Business Trust	March 30, 2020, Form 10-K, exhibit 10.11(o)
10.11(f)	First Amendment to Purchase Agreement, dated November 13, 2019, among TSO-Fortiva Notes Holdco LP, Perimeter Funding Corporation, Access Financing, LLC and Perimeter Master Note Business Trust	March 30, 2020, Form 10-K, exhibit 10.11(p)
10.11(g)*	Second Amendment to Purchase Agreement, dated January 23, 2020, among TSO-Fortiva Notes Holdco LP, Perimeter Funding Corporation, Access Financing, LLC and Perimeter Master Note Business Trust	March 30, 2020, Form 10-K, exhibit 10.11(q)
10.11(h)	Trust Agreement, dated February 8, 2017, between Perimeter Funding Corporation and Wilmington Trust, National Association	May 15, 2017, Form 10-Q, exhibit 10.1(c)
10.11(i)	First Amendment to Trust Agreement, dated June 11, 2018, between Perimeter Funding Corporation and Wilmington Trust, National Association	March 30, 2020, Form 10-K, exhibit 10.11(u)
10.12	Master Indenture for Fortiva Retail Credit Master Note Business Trust, dated November 9, 2018, among Fortiva Retail Credit Master Note Business Trust, U.S. Bank National Association and Access Financing, LLC	March 27, 2019, Form 10-K, exhibit 10.12
10.12(a)*	Series 2018-One Indenture Supplement for Fortiva Retail Credit Master Note Business Trust, dated November 9, 2018	Filed herewith
10.12(b)	Amended and Restated Trust Agreement, dated November 9, 2018, between FRC Funding Corporation and Wilmington Trust, National Association	March 27, 2019, Form 10-K, exhibit 10.12(b)

Exhibit Number	Description of Exhibit	Incorporated by Reference from Atlanticus' SEC Filings Unless Otherwise Indicated(1)
10.13	Amended and Restated Program Management Agreement, dated April 1, 2020, between The Bank of Missouri and Atlanticus Services Corporation	August 14, 2020, Form 10-Q, exhibit 10.1
10.13(a)	First Amendment to Amended and Restated Program Management Agreement, dated June 30, 2020, between The Bank of Missouri and Atlanticus Services Corporation	August 14, 2020, Form 10-Q, exhibit 10.1(a)
10.13(b)*	Amended and Restated Receivable Sales Agreement, dated April 1, 2020, between The Bank of Missouri and Fortiva Funding, LLC	August 14, 2020, Form 10-Q, exhibit 10.2
10.13(c)	First Amendment to Amended and Restated Receivable Sales Agreement, dated June 30, 2020, between The Bank of Missouri and Fortiva Funding, LLC	August 14, 2020, Form 10-Q, exhibit 10.2(a)
10.13(d)	Assignment and Assumption Agreement, dated March 24, 2018, among Mid America Bank & Trust Company, Atlanticus Services Corporation and The Bank of Missouri	May 14, 2019, Form 10-Q, exhibit 10.2(b)
10.13(e)	Assignment and Assumption Agreement, dated March 24, 2018, among Mid America Bank & Trust Company, Fortiva Funding, LLC and The Bank of Missouri	May 14, 2019, Form 10-Q, exhibit 10.2(c)
10.14*	Amended and Restated Operating Agreement of Access Financial Holdings, LLC, dated November 14, 2019	March 30, 2020, Form 10-K, exhibit 10.15
10.15	At Market Issuance Sales Agreement, dated August 10, 2022, between Atlanticus Holdings Corporation and B. Riley Securities, Inc.	August 10, 2022, Form 8-K, exhibit 1.1
10.16	At-The-Market Sales Agreement, dated December 29, 2023, between Atlanticus Holdings Corporation and BTIG, LLC	January 2, 2024, Form 8-K, exhibit 1.1
19.1	Atlanticus Holdings Corporation Policy Statement Regarding Securities Trading	Filed herewith
21.1	Subsidiaries of the Registrant	Filed herewith
23.1	Consent of BDO USA, P.C.	Filed herewith
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)	Filed herewith
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)	Filed herewith
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350	Filed herewith
97.1	Atlanticus Holdings Corporation Clawback Policy	Filed Herewith
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

† Management contract, compensatory plan or arrangement.
* Certain portions of this document have been omitted because they are both not material and are the type that the Company treats as private or confidential.
** Filed under CompuCredit Corporation (now Atlanticus Services Corporation) (File No. 000-25751), our predecessor issuer.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia, on March 4, 2024.

Atlanticus Holdings Corporation

By: /s/ Jeffrey A. Howard
Jeffrey A. Howard
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/Jeffrey A. Howard **Jeffrey A. Howard**	President, Chief Executive Officer and Director (Principal Executive Officer)	March 4, 2024
/s/William R. McCamey **William R. McCamey**	Chief Financial Officer (Principal Financial Officer)	March 4, 2024
/s/Mitchell C. Saunders **Mitchell C. Saunders**	Chief Accounting Officer (Principal Accounting Officer)	March 4, 2024
/s/David G. Hanna **David G. Hanna**	Executive Chairman of the Board	March 4, 2024
/s/Denise M. Harrod **Denise M. Harrod**	Director	March 4, 2024
/s/Deal W. Hudson **Deal W. Hudson**	Director	March 4, 2024
/s/Dennis H. James **Dennis H. James**	Director	March 4, 2024
/s/Joann G. Jones **Joann G. Jones**	Director	March 4, 2024
/s/Mack F. Mattingly **Mack F. Mattingly**	Director	March 4, 2024

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Atlanticus Holdings Corporation
Atlanta, Georgia

Opinion on Internal Control over Financial Reporting

We have audited Atlanticus Holdings Corporation's (the "Company's") internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of income, shareholders' equity and temporary equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes and our report dated March 4, 2024, expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.

Atlanta, Georgia
March 4, 2024

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Atlanticus Holdings Corporation
Atlanta, Georgia

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Atlanticus Holdings Corporation (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of income, shareholders' equity and temporary equity and cash flows for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years then ended**,** in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and our report dated March 4, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

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

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Discount rate utilized in estimating the fair value of Loans at Fair Value

As described in Note 6 to the Company's consolidated financial statements, the Company has outstanding loans at fair value of $2,174 million at December 31, 2023. As described in Note 2 to the consolidated financial statements, all loans associated with the Company's private label credit and general-purpose credit cards are included within loans at fair value. The Company estimates the fair value of the loans using a discounted cash flow model, which considers various unobservable inputs such as credit losses, purchase rates, payment rates, servicing costs, contractual servicing fees, costs of funds, discount rates and yields earned on credit card receivables. The Company re-evaluates the fair value of loans at the close of each measurement period. The impact of changes in the fair value of loans at fair value is reflected within the period incurred and can have a material impact on the financial results of the Company.

We identified the discount rates as the significant assumptions used by the Company to estimate the fair value of outstanding loans at fair value to be a critical audit matter. The discount rates used to discount projected cash flows that third-party market participants would use are based upon unobservable inputs and are considered highly subjective as there is no active market for these loans. Auditing the discount rates involved especially challenging auditor judgment due to the nature of audit evidence and nature and extent of audit effort required including the involvement of individuals with specialized skill and knowledge.
The primary procedures we performed to address this critical audit matter included:

- Testing the relevance and reliability of data related to the discount rates by agreeing data to internal and external third-party sources.
- Involving professionals with specialized skills and knowledge in valuation to assist in the evaluation of the reasonableness of discount rates used by management to determine the fair value by comparing to market-based discount rates to determine if such assumptions were relevant, reliable, and reasonable for the purpose used, including consideration of evidence (e.g., external economic data, peer data, internal company data) that may be contradictory to the conclusion reached by management.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2002.
Atlanta, Georgia
March 4, 2024

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

	December 31, 2023	December 31, 2022
Assets		
Unrestricted cash and cash equivalents (including $158.0 million and $202.2 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	$ 339,338	$ 384,984
Restricted cash and cash equivalents (including $20.5 million and $27.6 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	44,315	48,208
Loans, interest and fees receivable:		
Loans at fair value (including $2,128.6 million and $1,735.9 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	2,173,759	1,817,976
Loans at amortized cost	118,045	105,267
Allowances for credit losses	(1,759)	(1,643)
Deferred revenue	(17,861)	(16,190)
Net loans, interest and fees receivable	2,272,184	1,905,410
Property at cost, net of depreciation	11,445	10,013
Operating lease right-of-use assets	11,310	11,782
Prepaid expenses and other assets	27,853	27,417
Total assets	$ 2,706,445	$ 2,387,814
Liabilities		
Accounts payable and accrued expenses	$ 61,634	$ 44,332
Operating lease liabilities	20,180	20,112
Notes payable, net (including $1,795.9 million and $1,586.0 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	1,861,685	1,653,306
Senior notes, net	144,453	144,385
Income tax liability	85,826	60,689
Total liabilities	2,173,778	1,922,824
Commitments and contingencies (Note 11)		
Preferred stock, no par value, 10,000,000 shares authorized:		
Series A preferred stock, 400,000 shares issued and outstanding at December 31, 2023 (liquidation preference - $40.0 million); 400,000 shares issued and outstanding at December 31, 2022 (Note 5) (1)	40,000	40,000
Class B preferred units issued to noncontrolling interests (Note 5)	100,250	99,950
Shareholders' Equity		
Series B preferred stock, no par value, 3,256,561 shares issued and outstanding at December 31, 2023 (liquidation preference - $81.4 million); 3,204,640 shares issued and outstanding at December 31, 2022 (1)	—	—
Common stock, no par value, 150,000,000 shares authorized: 14,603,563 and 14,453,415 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	—	—
Paid-in capital	87,415	121,996
Retained earnings	307,260	204,415
Total shareholders’ equity	394,675	326,411
Noncontrolling interests	(2,258)	(1,371)
Total equity	392,417	325,040
Total liabilities, shareholders' equity and temporary equity	$ 2,706,445	$ 2,387,814

(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.

See accompanying notes.

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

	For the Year Ended	
	2023	**2022**
Revenue:		
Consumer loans, including past due fees	$ 879,123	$ 786,235
Fees and related income on earning assets	238,775	217,071
Other revenue	37,348	42,798
Total operating revenue, net	1,155,246	1,046,104
Other non-operating revenue	630	809
Total revenue	1,155,876	1,046,913
Interest expense	(109,342)	(81,851)
Provision for credit losses	(2,152)	(1,252)
Changes in fair value of loans	(689,577)	(577,069)
Net margin	354,805	386,741
Operating expenses:		
Salaries and benefits	43,906	43,063
Card and loan servicing	100,620	95,428
Marketing and solicitation	52,421	62,403
Depreciation	2,560	2,175
Other	26,740	34,400
Total operating expenses	226,247	237,469
Income before income taxes	128,558	149,272
Income tax expense	(26,604)	(14,660)
Net income	101,954	134,612
Net loss attributable to noncontrolling interests	891	985
Net income attributable to controlling interests	102,845	135,597
Preferred stock and preferred unit dividends and discount accretion	(25,198)	(25,076)
Net income attributable to common shareholders	$ 77,647	$ 110,521
Net income attributable to common shareholders per common share—basic	$ 5.35	$ 7.55
Net income attributable to common shareholders per common share—diluted	$ 4.24	$ 5.83

See accompanying notes.

Atlanticus Holdings Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity and Temporary Equity
For the Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	Series B Preferred Stock		Common Stock						Temporary Equity	
	Shares Issued	Amount	Shares Issued	Amount	Paid-In Capital	Retained Earnings (Deficit)	Noncontrolling Interests	Total Equity	Series A Preferred Stock	Class B Preferred Units
Balance at January 1, 2022	3,188,533	$ —	14,804,408	$ —	$227,763	$ 60,236	$ (500)	$287,499	$ 40,000	$ 99,650
Cumulative effects from adoption of the CECL standard	—	—	—	—	—	8,582	—	8,582	—	—
Accretion of discount associated with issuance of subsidiary equity	—	—	—	—	(300)	—	—	(300)	—	300
Discount associated with repurchase of preferred stock	—	—	—	—	18	—	—	18	—	—
Preferred stock and preferred unit dividends	—	—	—	—	(24,794)	—	—	(24,794)	—	—
Stock option exercises and proceeds related thereto	—	—	1,211,141	—	3,731	—	—	3,731	—	—
Compensatory stock issuances, net of forfeitures	—	—	112,027	—	—	—	—	—	—	—
Issuance of series B preferred stock, net	19,607	—	—	—	437	—	—	437	—	—
Contributions by owners of noncontrolling interests	—	—	—	—	—	—	114	114	—	—
Stock-based compensation costs	—	—	—	—	4,167	—	—	4,167	—	—
Redemption and retirement of preferred shares	(3,500)	—	—	—	(87)	—	—	(87)	—	—
Redemption and retirement of common shares	—	—	(1,674,161)	—	(88,939)	—	—	(88,939)	—	—
Net income (loss)	—	—	—	—	—	135,597	(985)	134,612	—	
Balance at December 31, 2022	3,204,640	$ —	14,453,415	$ —	$121,996	$ 204,415	$ (1,371)	$325,040	$ 40,000	$ 99,950
Accretion of discount associated with issuance of subsidiary equity	—	—	—	—	(300)	—	—	(300)	—	300
Discount associated with repurchase of preferred stock	—	—	—	—	16	—	—	16	—	—
Preferred stock and preferred unit dividends	—	—	—	—	(24,914)	—	—	(24,914)	—	—
Stock option exercises and proceeds related thereto	—	—	576,758	—	3,405	—	—	3,405	—	—
Compensatory stock issuances, net of forfeitures	—	—	148,546	—	—	—	—	—	—	—
Issuance of series B preferred stock, net	53,727	—	—	—	1,118	—	—	1,118	—	—
Contributions by owners of noncontrolling interests	—	—	—	—	—	—	4	4	—	—

Stock-based compensation costs	—	—	—	—	3,783	—	—	3,783	—	—
Redemption and retirement of preferred shares	(1,806)	—	—	—	(45)	—	—	(45)	—	—
Redemption and retirement of common shares	—	—	(575,156)	—	(17,644)	—	—	(17,644)	—	—
Net income (loss)	—	—	—	—	—	102,845	(891)	101,954	—	—
Balance at December 31, 2023	3,256,561	$ —	14,603,563	$ —	$ 87,415	$ 307,260	$ (2,258)	$ 392,417	$ 40,000	$ 100,250

See accompanying notes.

Atlanticus Holdings Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)

	For the Year Ended December 31, 2023	2022
Operating activities		
Net income	$ 101,954	$ 134,612
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion, net	4,043	4,848
Provision for credit losses	2,152	1,252
Deferred income tax expense	37,825	20,975
Income from accretion of merchant fees and discount associated with receivables purchases	(146,880)	(137,179)
Changes in fair value of loans	689,577	577,069
Amortization of debt issuance costs	7,179	5,101
Stock-based compensation costs	3,783	4,167
Lease liability payments	(1,871)	(4,053)
Changes in assets and liabilities:		
Increase in uncollected fees on earning assets	(247,353)	(252,704)
Decrease in income tax liability	(12,688)	(10,563)
Increase in accounts payable and accrued expenses	18,414	4,260
Other	3,182	(155)
Net cash provided by operating activities	459,317	347,630
Investing activities		
Proceeds from recoveries on charged off receivables	51,578	32,361
Investments in earning assets	(2,516,359)	(2,546,127)
Proceeds from earning assets	1,796,570	1,836,333
Purchases and development of property	(3,992)	(4,852)
Net cash used in investing activities	(672,203)	(682,285)
Financing activities		
Noncontrolling interests contributions	4	114
Proceeds from issuance of Series B preferred stock, net of issuance costs	1,118	437
Preferred stock and preferred unit dividends	(24,910)	(24,793)
Proceeds from exercise of stock options	3,405	3,731
Purchase and retirement of outstanding stock	(17,673)	(89,008)
Proceeds from borrowings	955,278	680,527
Repayment of borrowings	(753,877)	(309,753)
Net cash provided by financing activities	163,345	261,255
Effect of exchange rate changes on cash	2	(36)
Net decrease in cash and cash equivalents and restricted cash	(49,539)	(73,436)
Cash and cash equivalents and restricted cash at beginning of period	433,192	506,628
Cash and cash equivalents and restricted cash at end of period	$ 383,653	$ 433,192
Supplemental cash flow information		
Cash paid for interest	$ 99,450	$ 75,357
Net cash income tax payments	$ 1,467	$ 4,248
Accretion of discount associated with issuance of subsidiary equity	$ 300	$ 300
Increase in accrued and unpaid preferred stock and preferred unit dividends	$ 4	$ 1

See accompanying notes.

Atlanticus Holdings Corporation and Subsidiaries
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

1. Description of Our Business

Our accompanying consolidated financial statements include the accounts of Atlanticus Holdings Corporation (the "Company") and those entities we control. We are a purpose driven financial technology company. We are primarily focused on facilitating consumer credit through the use of our financial technology and related services. Through our subsidiaries, we provide technology and other support services to lenders who offer an array of financial products and services to consumers who may have been declined by other providers of credit.

We are principally engaged in providing products and services to lenders in the U.S. and, in most cases, we invest in the receivables originated by lenders who utilize our technology platform and other related services. From time to time, we also purchase receivables portfolios from third parties. In these Notes to Consolidated Financial Statements, "receivables" or "loans" typically refer to receivables we have purchased from our bank partners or from third parties.

Within our Credit as a Service ("CaaS") segment, we apply our technology solutions, in combination with the experiences gained, and infrastructure built from servicing over $39 billion in consumer loans over more than 25 years of operating history, to support lenders in offering more inclusive financial services. These products include private label credit and general purpose credit cards originated by lenders through multiple channels, including retailers and healthcare providers, direct mail solicitation, digital marketing and partnerships with third parties. The services of our bank partners are often extended to consumers who may not have access to financing options with larger financial institutions. Our flexible technology solutions allow our bank partners to integrate our paperless process and instant decisioning platform with the existing infrastructure of participating retailers, healthcare providers and other service providers. Using our technology and proprietary predictive analytics, lenders can make instant credit decisions utilizing hundreds of inputs from multiple sources and thereby offer credit to consumers overlooked by many providers of financing who focus exclusively on consumers with higher FICO scores. Atlanticus' underwriting process is enhanced by artificial intelligence and machine learning, enabling fast, sound decision-making when it matters most.

We also report within our CaaS segment: 1) servicing income; and 2) gains or losses associated with investments previously made in consumer finance technology platforms. These include investments in companies engaged in mobile technologies, marketplace lending and other financial technologies. None of these companies are publicly-traded and the carrying values of our investments in these companies are not material.

Within our Auto Finance segment, our CAR subsidiary operations principally purchase and/or service loans secured by automobiles from or for, and also provide floor plan financing for, a pre-qualified network of independent automotive dealers and automotive finance companies in the buy-here, pay-here, used car business. We purchase auto loans at a discount and with dealer retentions or holdbacks that provide risk protection. Also within our Auto Finance segment, we are providing certain installment lending products in addition to our traditional loans secured by automobiles.

As a result of the declaration of a national emergency and the associated government policy responses to COVID-19 and corresponding inflation, certain consumers were previously offered the ability to defer their payment without penalty during the national emergency period. In March 2020, the federal bank regulatory agencies issued an "Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus" ("COVID-19 Guidance"). The COVID-19 Guidance encouraged financial institutions to work prudently with borrowers that were unable to meet their contractual obligations because of the effects of COVID-19. In accordance with the COVID-19 Guidance, certain consumers negatively impacted by COVID-19 were provided short-term payment deferrals and fee waivers. Receivables enrolled in these short-term payment deferrals continued to accrue interest and their delinquency status was not changed through the deferment period. The Biden administration ended the COVID-19 national and public health emergencies on May 11, 2023. This action ended the flexibility provided under the COVID-19 Guidance. The long-term impact that the cessation of certain benefits provided under emergency relief programs will have on our consumers is uncertain although the remaining financial statement impact for those customers previously provided the aforementioned short-term payment deferrals and fee waivers is not material.

2. Significant Accounting Policies and Consolidated Financial Statement Components

The following is a summary of significant accounting policies we follow in preparing our consolidated financial statements, as well as a description of significant components of our consolidated financial statements.

Basis of Presentation and Use of Estimates

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the U.S. ("GAAP"). The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our consolidated financial statements, as well as the reported amounts of revenues and expenses during each reporting period. We base these estimates on information available to us as of the date of the financial statements. Actual results could differ materially from these estimates. Certain estimates, such as credit losses, payment rates, servicing costs, discount rates and yields earned on credit card receivables, significantly affect the reported amount (and changes thereon) of our Loans at fair value on our consolidated balance sheets and consolidated statements of income.

We have eliminated all significant intercompany balances and transactions for financial reporting purposes.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The Company's policy is to consolidate

the financial statements of entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by evaluating whether the entity is a voting interest entity or variable interest entity ("VIE") and if the accounting guidance requires consolidation. For more information on the Company's VIEs, see Note 8 "Variable Interest Entities".

Unrestricted Cash and Cash Equivalents

Unrestricted cash and cash equivalents consist of cash, money market investments and overnight deposits. We consider all highly liquid cash investments with low interest rate risk and original maturities of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value. We maintain unrestricted cash and cash equivalents for general operating purposes. We maintain our cash and cash equivalents in accounts at regulated domestic financial institutions in amounts that exceed FDIC insured amounts. All cash balances are maintained at well capitalized institutions.

Restricted Cash

Restricted cash includes certain collections on loans, interest and fees receivable, the cash balances of which are required to be distributed to noteholders under our debt facilities. Our restricted cash balances also include minimum cash balances held in accounts at the request of certain of our business partners.

Loans, Interest and Fees Receivable

We maintain two categories of Loans on our consolidated balance sheets: those that are carried at fair value (Loans at fair value) and those that are carried at net amortized cost (Loans at amortized cost). For our Loans at fair value (within our CaaS segment), interest and fees are discontinued when the receivable becomes contractually 90 or more days past due. For our Loans at amortized cost (within our Auto Finance segment), we continue interest and fee billings until the time of chargeoff if there is adequate value associated with the underlying asset serving as collateral for the receivable. Once a loan discontinues accruing interest and fees it is ineligible to return to accrual status. We charge off receivables underlying our Loans at fair value, against our Changes in fair value of loans, when they become contractually more than 180 days past due, or 120 days past due if they are enrolled in an installment loan product. We charge off our Loans at amortized cost receivables, against our Allowances for credit losses, when they become contractually more than 180 days past due. For all of our receivables portfolios, we charge off receivables within 30 days of notification and confirmation of a customer’s bankruptcy or death. However, in some cases of death, we do not charge off receivables if there is a surviving, contractually liable individual or estate large enough to pay the debt in full.

We adopted Accounting Standards Update ("ASU") 2016-13, Measurement of Credit Losses on Financial Instruments on January 1, 2022. This ASU requires the use of an impairment model (the current expected credit loss ("CECL") model) that is based on expected rather than incurred losses. The ASU also allows for a one-time fair value election for receivables. Upon adoption, we elected the fair value option for all remaining loans receivable associated with our private label credit and general purpose credit card platform previously measured at amortized cost and recorded an increase to our Allowances for credit losses for our remaining Loans at amortized cost associated with our Auto Finance segment. The adoption of CECL resulted in an increase to our opening balance of retained earnings of $8.6 million.

Loans at fair value. Loans at fair value represent receivables for which we have elected the fair value option (the "Fair Value Receivables"). The Fair Value Receivables are held by entities that qualify as VIEs, and are consolidated onto our consolidated balance sheets, some portfolios of which are unencumbered and some of which are still encumbered under structured or other financing facilities. Loans and finance receivables include accrued and unpaid interest and fees. As discussed above, as of January 1, 2022 all receivables associated with our private label credit and general purpose credit cards are included within this category of receivables.

Under the fair value option, direct loan origination fees (such as annual and merchant fees) are taken into income when billed to the consumer or upon loan acquisition and direct loan origination costs are expensed in the period incurred. The Company estimates the fair value of the loans using a discounted cash flow model, which considers various unobservable inputs such as credit losses, payment rates, servicing costs, discount rates and yields earned on credit card receivables. The Company re-evaluates the fair value of loans receivable at the close of each measurement period. Changes in the fair value of loans are recorded as a component of "Changes in fair value of loans" in the consolidated statements of income in the period of the fair value changes. Changes in the fair value of loans include the impact of current period charge-offs associated with these receivables.

Further details concerning our loans at fair value are presented within Note 6, "Fair Values of Assets and Liabilities."

Loans at amortized cost. Our loans at amortized cost, currently consist of receivables associated with our Auto Finance segment’s operations. We purchased auto loans with outstanding principal of $233.6 million and $214.7 million for the years ended December 31, 2023 and 2022, respectively, through our pre-qualified network of independent automotive dealers and automotive finance companies.

We show an allowances for credit losses for our loans at amortized cost. A considerable amount of judgment is required to assess the ultimate amount of expected losses on loans at amortized cost, and we regularly evaluate and update our methodologies to determine the most appropriate allowance necessary. Our loans at amortized cost consist of smaller-balance, homogeneous loans in our Auto Finance segment. These loans are further divided into pools based on common characteristics such as contract or acquisition channel. For each pool, we determine the necessary allowances for credit losses using reasonable and supportable forecasts that analyze some or all of the following attributes unique to each type of receivable pool: historical loss rates on similar loans; current delinquency and roll-rate trends which may indicate consumer loss rates in excess or less than those which historical trends might suggest; vintage analyses based on the number of months an account has been in existence; the effects of changes in the economy on consumers such as inflation or other macroeconomic changes; changes in underwriting criteria; unfunded commitments (to the extent they are unconditional), and estimated recoveries. The aforementioned inputs are calculated using historical trends over the most recent five year period, and adjusted as needed for current trends and reasonable and supportable forecasts. We may individually evaluate a receivable or pool of receivables for credit losses if circumstances indicate that the receivable or pool of receivables may be at higher risk for non-performance than other receivables (e.g., if a particular retail or auto-finance partner has indications of non-performance (such as a bankruptcy) that could impact the underlying pool of receivables we purchased from the partner).

Certain of our loans at amortized cost also contain components of deferred revenue related to loan discounts on the purchase of our auto finance

receivables. As of December 31, 2023 and December 31, 2022, the weighted average remaining accretion period for the $17.9 million and $16.2 million of deferred revenue reflected in the consolidated balance sheets was 26 and 27 months, respectively.

A roll-forward (in millions) of our allowances for credit losses by class of receivable is as follows:

For the Year Ended December 31, 2023	Auto Finance
Allowances for credit losses:	
Balance at beginning of period	$ (1.6)
Provision for credit losses	(2.2)
Charge-offs	3.9
Recoveries	(1.9)
Balance at end of period	$ (1.8)

For the Year Ended December 31, 2022	Credit Cards	Auto Finance	Other Unsecured Lending Products	Total
Allowances for credit losses:				
Balance at beginning of period	$ (43.4)	$ (1.4)	$ (12.4)	$ (57.2)
Cumulative effects from adoption of fair value under the CECL standard	43.4	—	12.4	55.8
Cumulative effects from adoption of the CECL standard	—	(0.2)		(0.2)
Provision for credit losses	—	(1.3)	—	(1.3)
Charge-offs	—	2.6	—	2.6
Recoveries	—	(1.3)	—	(1.3)
Balance at end of period	$ —	$ (1.6)	$ —	$ (1.6)

Delinquent loans at amortized cost reflect the principal, fee and interest components of loans we did not collect on or prior to the contractual due date. Amounts we believe we will not ultimately collect are included as a component in our overall allowances for credit losses.

Recoveries, noted above, consist of amounts received from the efforts of third-party collectors. All proceeds received, associated with charged-off accounts, are credited to the allowances for credit losses.

We consider loan delinquencies a key indicator of credit quality because this measure provides the best ongoing estimate of how a particular class of receivables is performing. An aging of our delinquent loans at amortized cost (in millions) as of December 31, 2023 and December 31, 2022 is as follows:

As of December 31, 2023	Auto Finance
30-59 days past due	$ 9.4
60-89 days past due	3.4
90 or more days past due	3.5
Delinquent loans at amortized cost	16.3
Current loans at amortized cost	101.7
Total loans at amortized cost	$ 118.0
Balance of loans greater than 90-days delinquent still accruing interest and fees	$ 2.6

As of December 31, 2022	Auto Finance
30-59 days past due	$ 8.5
60-89 days past due	3.0
90 or more days past due	2.1
Delinquent loans at amortized cost	13.6
Current loans at amortized cost	91.7
Total loans at amortized cost	$ 105.3
Balance of loans greater than 90-days delinquent still accruing interest and fees	$ 1.7

Loan Modifications and Restructurings

We adopted Accounting Standards Update ("ASU") No. 2022-02, Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures on January 1, 2023. The disclosures required by this ASU are required for receivables held at amortized cost and exclude those accounted for using fair value. As the significant majority of the Company's receivables are held at fair value, the adoption of this ASU did not have a material impact on the Company's financial results and accompanying disclosures.

We review our Loans at amortized cost to determine if any modifications for borrowers experiencing financial difficulty were made that would qualify the receivable as a Financial Difficulty Modification ("FDM"). This could include a restructuring of the loan terms to alleviate the burden of the borrower's near-term cash requirements, such as a modification of terms to reduce or defer cash payments to help the borrower attempt to improve its financial condition. For the years ended December 31, 2023, no Loans at amortized cost qualified as a FDM. Prior to the adoption of ASU 2022-02, we reviewed our Loans at amortized cost to determine if any modifications for borrowers experiencing financial difficulty were made that would qualify the receivable as a troubled debt restructuring ("TDR"). This could include a restructuring of the loan terms to alleviate the burden of the borrower's near-term cash requirements, such as a modification of terms to reduce or defer cash payments to help the borrower attempt to improve its financial condition. For the years ended December 31, 2022, no Loans at amortized cost qualified as a TDR.

Property at Cost, Net of Depreciation

We capitalize costs related to internal development and implementation of software used in our operating activities. These capitalized costs consist almost exclusively of fees paid to third-party consultants to develop code and install and test software specific to our needs and to customize purchased software to maximize its benefit to us.

We record our property at cost less accumulated depreciation or amortization. We compute depreciation expense using the straight-line method over the estimated useful lives of our assets, which are approximately 5 years for furniture, fixtures and equipment, and 3 years for computers and software. We amortize leasehold improvements over the shorter of their estimated useful lives or the terms of their respective underlying leases.

We periodically review our property to determine if it is impaired. We incurred no impairment costs in the years ended December 31, 2023 and 2022.

Leases

We determine if an arrangement contains a lease at inception, and leases are classified as either operating or finance leases at the lease commencement date. An arrangement contains a lease if it implicitly or explicitly identifies an asset to be used and conveys the right to control the use of the identified asset in exchange for consideration. Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized upon commencement of the lease based on the present value of the lease payments over the lease term. When readily determinable, we use the implicit rate within the lease. As most of our leases do not provide an implicit interest rate, we generally use our incremental borrowing rate. The incremental borrowing rate is based on the estimated rate of interest for fully collateralized and fully amortizing borrowings over a similar term as the lease payments at commencement date. The incremental borrowing rate is used to determine the present value of lease payments. Our expected lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Expenses associated with operating leases are recorded in Other expenses on our Consolidated Statements of Income. Short-term leases with a term of 12 months or less are not capitalized.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets include amounts paid to third parties for marketing and other services as well as amounts owed to us by third parties. Prepaid amounts are expensed as the underlying related services are performed. Also included are (1) commissions paid associated with our various office leases which we amortize into expense over the lease terms, (2) ongoing deferred costs associated with service contracts and (3) investments in consumer finance technology platforms carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses reflect both the billed and unbilled amounts owed at the end of a period for services rendered.

Revenue Recognition and Revenue from Contracts with Customers

Consumer Loans, Including Past Due Fees

Consumer loans, including past due fees reflect interest income, including finance charges, and late fees on loans in accordance with the terms of the related customer agreements. Discounts received associated with auto loans that are not included as part of our Fair Value Receivables are deferred and amortized over the average life of the related loans using the effective interest method. Premiums, discounts, annual fees and merchant fees paid or received associated with Fair Value Receivables are recognized upon receivable acquisition. Finance charges and fees, net of amounts that we consider uncollectible, are included in loans, interest and fees receivable and revenue when the fees are earned based upon the contractual terms of the loans.

Fees and Related Income on Earning Assets

Fees and related income on earning assets primarily include fees associated with credit products such as annual fee billings and cash advance fees,

among others. These fees are assessed on the receivables underlying the private label and general purpose credit cards we service.

Fees are assessed on private label and general purpose credit card accounts underlying our credit card receivables according to the terms of the related agreements and we recognize these fees as income when they are charged to the customers' accounts. Fees and related income on earning assets, net of amounts that we consider uncollectible, are included in loans, interest and fees receivable and revenue when the fees are earned based upon the contractual terms of the loans.

Other revenue

Other revenue includes revenues associated with interchange revenues, servicing income and ancillary product offerings (primarily associated with a credit protection program offered by our issuing bank partner). We recognize these fees as income in the period earned.

Other non-operating revenue

Other non-operating revenue includes revenues associated with investments in equity method investees and other revenues not associated with our ongoing business operations.

Revenue from Contracts with Customers

The majority of our revenue is earned from financial instruments and is not included within the scope of Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers". We have determined that revenue from contracts with customers would primarily consist of interchange revenues in our CaaS segment and servicing revenue and other customer-related fees in both our CaaS segment and our Auto Finance segment. Interchange fees are earned when our customers' cards are used over established card networks. We earn a portion of the interchange fee the card networks charge merchants for the transaction and these fees are settled daily. Servicing revenue is generated by meeting contractual performance obligations related to the collection of amounts due on receivables, and is settled with the customer net of our fee, which can be settled daily or monthly. Service charges and other customer related fees are earned from customers based on the occurrence of specific services and are paid by customers per the terms of their credit agreement. None of these revenue streams result in an ongoing obligation beyond what has already been rendered. Revenue from these contracts with customers comprises Other revenue on our consolidated statements of income. Components (in thousands) of our revenue from contracts with customers is as follows:

For the Year Ended December 31, 2023	CaaS	Auto Finance	Total
Interchange revenues, net (1)	$ 21,453	$ —	$ 21,453
Servicing income	3,340	749	4,089
Service charges and other customer related fees	11,731	75	11,806
Total revenue from contracts with customers	$ 36,524	$ 824	$ 37,348

(1) Interchange revenue is presented net of customer reward expense.

For the Year Ended December 31, 2022	CaaS	Auto Finance	Total
Interchange revenues, net (1)	$ 24,926	$ —	$ 24,926
Servicing income	3,259	888	4,147
Service charges and other customer related fees	13,658	67	13,725
Total revenue from contracts with customers	$ 41,843	$ 955	$ 42,798

(1) Interchange revenue is presented net of customer reward expense.

Card and Loan Servicing Expenses

Card and loan servicing costs primarily include collections and customer service expenses. Within this category of expenses are personnel, service bureau, cardholder correspondence and other direct costs associated with our collections and customer service efforts. Card and loan servicing costs also include outsourced collections and customer service expenses. We expense card and loan servicing costs as we incur them, with the exception of prepaid costs, which we expense over respective service periods.

Marketing and Solicitation Expenses

We expense product solicitation costs, including printing, credit bureaus, list processing, telemarketing, postage, and internet marketing fees, as we incur these costs or expend resources.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments. The guidance requires an assessment of credit losses based on expected rather than incurred losses (known as the current expected credit loss model). This generally will result in the recognition of allowances for losses earlier than under current accounting guidance for trade and other receivables, held to maturity debt securities and other instruments. The FASB has added several technical amendments (ASU 2018-19, 2019-04, 2019-10, 2019-11 and 2020-03) to clarify technical aspects of the guidance and applicability to specific financial instruments or transactions. In May 2019, the FASB issued ASU 2019-05, which allows entities to measure assets in the scope of ASC 326-20, except held to maturity securities, using the fair value option when they adopt the new credit impairment standard. The election can be made on an instrument by instrument basis. We adopted ASU 2016-13 beginning January 1, 2022, using the modified retrospective method of adoption. We elected the fair value option for all receivables in our CaaS segment previously measured at amortized cost. For all other receivables, we recorded an increase to our Allowances for credit losses using the current expected credit loss model. As a result of our adoption, we increased our Loans at fair value (net of the related revaluation) by $315.0 million (with a corresponding decrease to Loans at amortized cost of $375.7 million), a decrease to our Allowances for credit losses of $55.6 million, a decrease to our Deferred revenue of $15.6 million, a decrease to Accounts payable and accrued expenses of $600 thousand, an increase to our deferred tax liability of $2.5 million, and an increase to our retained earnings of $8.6 million. The aforementioned impacts associated with our adoption of ASU 2016-13 primarily relate to those assets within our CaaS segment with an immaterial impact to our Auto Finance segment receivables.

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The guidance provides an optional expedient and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, which refines the scope of ASC 848 and clarifies some of its guidance as part of the FASB’s monitoring of global reference rate reform. In December 2022, the FASB issued ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848", to extend the temporary accounting rules under Topic 848 from December 31, 2022 to December 31, 2024. These ASUs are effective for all entities upon their respective issuance dates through December 31, 2024. We have reviewed all outstanding financial agreements, noting none utilize London Interbank Offered Rate ("LIBOR") as the reference rate and, as such, determined there is no impact to our consolidated financial statements.

On March 31, 2022, the FASB issued ASU 2022-02, Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures. The ASU eliminates the accounting guidance for troubled debt restructurings by creditors while adding disclosures for certain loan restructurings by creditors when a borrower is experiencing financial difficulty. This guidance requires an entity to determine whether a modification results in a new loan or a continuation of an existing loan. Additionally, the ASU requires disclosure of current period gross write-offs by year of origination for financing receivables. The disclosures required by this ASU are required for receivables held at amortized cost and exclude those accounted for using fair value. The Company adopted this ASU on January 1, 2023. As the significant majority of the Company's receivables are held at fair value, the adoption of this ASU did not have a material impact on the Company's financial results and accompanying disclosures.

3. Segment Reporting

We operate primarily within one industry consisting of two reportable segments by which we manage our business. Our two reportable segments are: CaaS and Auto Finance.

We have no material amounts of long lived assets located outside of the U.S.

We measure the profitability of our reportable segments based on their income after allocation of specific costs and corporate overhead; however, our segment results do not reflect any charges for internal capital allocations among our segments. Overhead costs are allocated based on headcounts and other applicable measures to better align costs with the associated revenues.

Summary operating segment information (in thousands) is as follows:

Year Ended December 31, 2023	CaaS	Auto Finance	Total
Revenue:			
Consumer loans, including past due fees	$ 839,995	$ 39,128	$ 879,123
Fees and related income on earning assets	238,691	84	238,775
Other revenue	36,524	824	37,348
Total operating revenue, net	1,115,210	40,036	1,155,246
Other non-operating revenue	422	208	630
Total revenue	1,115,632	40,244	1,155,876
Interest expense	(105,990)	(3,352)	(109,342)
Provision for credit losses	—	(2,152)	(2,152)
Changes in fair value of loans	(689,577)	—	(689,577)
Net margin	$ 320,065	$ 34,740	$ 354,805
Income before income taxes	$ 116,522	$ 12,036	$ 128,558
Income tax expense	$ (23,709)	$ (2,895)	$ (26,604)
Total assets	$ 2,602,615	$ 103,830	$ 2,706,445

Year Ended December 31, 2022	CaaS	Auto Finance	Total
Revenue:			
Consumer loans, including past due fees	$ 751,052	$ 35,183	$ 786,235
Fees and related income on earning assets	216,989	82	217,071
Other revenue	41,843	955	42,798
Total operating revenue, net	1,009,884	36,220	1,046,104
Other non-operating revenue	698	111	809
Total revenue	1,010,582	36,331	1,046,913
Interest expense	(79,875)	(1,976)	(81,851)
Provision for credit losses	—	(1,252)	(1,252)
Changes in fair value of loans	(577,069)	—	(577,069)
Net margin	$ 353,638	$ 33,103	$ 386,741
Income before income taxes	$ 146,577	$ 2,695	$ 149,272
Income tax expense	$ (14,122)	$ (538)	$ (14,660)
Total assets	$ 2,295,092	$ 92,722	$ 2,387,814

4. Shareholders' Equity and Preferred Stock

During the years ended December 31, 2023 and 2022, we repurchased and contemporaneously retired 575,156 shares and 1,674,161 shares of our common stock at an aggregate cost of $17.6 million and $88.9 million, respectively, pursuant to both open market and private purchases and the return of stock by holders of equity incentive awards to pay tax withholding obligations.

Preferred Stock

In June and July 2021, we issued an aggregate of 3,188,533 shares of 7.625% Series B Cumulative Perpetual Preferred Stock (the "Series B Preferred Stock"), liquidation preference of $25.00 per share (the "Series B Preferred Stock"), for net proceeds of approximately $76.5 million after deducting underwriting discounts and commissions, but before deducting expenses and the structuring fee. We pay cumulative cash dividends on the Series B Preferred Stock, when and as declared by our Board of Directors, in the amount of $1.90625 per share each year, which is equivalent to 7.625% of the $25.00 liquidation preference per share.

During the years ended December 31, 2023 and 2022, we repurchased and contemporaneously retired 1,806 shares and 3,500 shares of Series B Preferred Stock at an aggregate cost of $29,000 and $69,000, respectively.

ATM Programs

On August 10, 2022, the Company entered into an At Market Issuance Sales Agreement (the "Preferred Stock Sales Agreement") providing for the sale by the Company of up to an aggregate offering price of $100.0 million of our (i) Series B Preferred Stock and (ii) senior notes, from time to time through a sales agent, in connection with the Company's "at-the-market" offering program (the "Preferred Stock ATM Program"). Further, on December 29, 2023, the Company entered into an At-The-Market Sales Agreement (the "Common Stock Sales Agreement") providing for the sale by the Company of its common stock, no par value per share, up to an aggregate offering price of $50.0 million, from time to time to or through a sales agent, in connection with the Company's Common Stock ATM Program ("Common Stock ATM Program"). Sales pursuant to both the Preferred Stock Sales Agreement and Common Stock Sales Agreement, if any, may be made in transactions that are deemed to be "at-the-market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on or through the NASDAQ Global Select Market. The sales agents will make all sales using commercially reasonable efforts consistent with their normal trading and sales practices up to the amount specified in, and otherwise in accordance with the terms of, the placement notices.

During the years ended December 31, 2023 and 2022, we sold 53,727 shares and 19,607 shares, respectively of our Series B Preferred Stock under our Preferred Stock ATM Program for net proceeds of $1.1 million and $0.4 million, respectively. During the year ended December 31, 2023, no common shares were sold under the Company's Common Stock ATM Program.

5. Redeemable Preferred Stock

On November 26, 2014, we and certain of our subsidiaries entered into a Loan and Security Agreement with Dove Ventures, LLC, a Nevada limited liability company ("Dove"). The agreement provided for a senior secured term loan facility in an amount of up to $40.0 million at any time outstanding. On December 27, 2019, the Company issued 400,000 shares of its Series A Preferred Stock with an aggregate initial liquidation preference of $40.0 million, in exchange for full satisfaction of the $40.0 million that the Company owed Dove under the Loan and Security Agreement. Dividends on the preferred stock are 6% per annum (cumulative, non-compounding) and are payable as declared, and in preference to any dividends on common stock and Series B Preferred Stock, in cash. The Series A Preferred Stock is perpetual and has no maturity date. The Company may, at its option, redeem the shares of Series A Preferred Stock on or after January 1, 2025 at a redemption price equal to $100 per share, plus any accumulated and unpaid dividends. At the request of holders of a majority of the shares of Series A Preferred Stock, the Company shall offer to redeem all of the Series A Preferred Stock at a redemption price equal to $100 per share, plus any accumulated and unpaid dividends, at the option of the holders thereof, on or after January 1, 2024. Upon the election by the holders of a majority of the shares of Series A Preferred Stock, each share of the Series A Preferred Stock is convertible into the number of shares of the Company's common stock as is determined by dividing (i) the sum of (a) $100 and (b) any accumulated and unpaid dividends on such share by (ii) an initial conversion price equal to $10 per share, subject to certain adjustment in certain circumstances to prevent dilution. Given the redemption rights contained within the Series A Preferred Stock, we account for the outstanding preferred stock as temporary equity in the consolidated balance sheets. Dividends paid on the Series A Preferred Stock are deducted from Net income attributable to controlling interests to derive Net income attributable to common shareholders. The common stock issuable upon conversion of Series A Preferred Stock is included in our calculation of Net income attributable to common shareholders per share—diluted. See Note 13, "Net Income Attributable to Controlling Interests Per Common Share" for more information.

Dove is a limited liability company owned by three trusts. David G. Hanna is the sole shareholder and the President of the corporation that serves as the sole trustee of one of the trusts, and David G. Hanna and members of his immediate family are the beneficiaries of this trust. Frank J. Hanna, III is the sole shareholder and the President of the corporation that serves as the sole trustee of the other two trusts, and Frank J. Hanna, III and members of his immediate family are the beneficiaries of these other two trusts.

On November 14, 2019, a wholly-owned subsidiary issued 50.5 million Class B preferred units at a purchase price of $1.00 per unit to an unrelated third party. The units carry a 16% preferred return to be paid quarterly, with up to 6 percentage points of the preferred return to be paid through the issuance of additional units or cash, at our election. The units have both call and put rights and are also subject to various covenants including a minimum book value, which if not satisfied, could allow for the securities to be put back to the subsidiary. In March 2020, the subsidiary issued an additional 50.0 million Class B preferred units under the same terms. A holder of the Class B Preferred Units may, at its election, require the Company to redeem part or all of such holder's Class B Preferred Units for cash at $1.00 per unit, on or after October 14, 2024. The proceeds from the transaction are being used for general corporate purposes. The Company has the right to redeem the Class B Preferred Units at any time with notice. We have included the issuance of these Class B preferred units as temporary noncontrolling interest on the consolidated balance sheets. Dividends paid on the Class B preferred units are deducted from Net income

attributable to controlling interests to derive Net income attributable to common shareholders. See Note 13, "Net Income Attributable to Controlling Interests Per Common Share" for more information.

6. Fair Values of Assets and Liabilities

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

We update our fair value analysis each quarter, with changes since the prior reporting period reflected as a component of "Changes in fair value of loans" in the consolidated statements of income. Changes in interest rates, credit spreads, discount rates, realized and projected credit losses and cash flow timing will lead to changes in the fair value of loans and therefore impact earnings.

Fair value differs from amortized cost accounting in the following ways:

- Receivables are recorded at their fair value, not their principal and fee balance or cost basis;
- The fair value of the loans takes into consideration net charge-offs for the remaining life of the loans with no separate allowance for credit loss calculation;
- Certain fee billings (such as annual or merchant fees) and expenses of loans are no longer deferred but recognized (when billed or incurred) in income or expense, respectively;
- The net present value of cash flows associated with future fee billings on existing receivables are included in fair value;
- Changes in the fair value of loans impact net margins; and
- Net charge-offs are recognized as they occur rather than through the establishment of an allowance and provision for credit losses for those loans, interest and fees receivable carried at amortized cost.

For receivables that are carried at net amortized cost, we include disclosures of the fair value of such receivables to the extent practicable within the disclosures below.

Where applicable, we account for our financial assets and liabilities at fair value based upon a three-tiered valuation system. In general, fair values determined by Level 1 inputs use quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access. Fair values determined by Level 2 inputs use inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. Where inputs used to measure fair value may fall into different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input that is significant to the fair value measurement in its entirety.

Valuations and Techniques for Assets

Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The table below summarizes (in thousands) by fair value hierarchy the December 31, 2023 and December 31, 2022 fair values and carrying amounts of (1) our assets that are required to be carried at fair value in our consolidated financial statements and (2) our assets not carried at fair value, but for which fair value disclosures are required:

Assets – As of December 31, 2023 (1)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Carrying Amount of Assets**
Loans at amortized cost for which it is practicable to estimate fair value and which are carried at net amortized cost	$ —	$ —	$ 105,409	$ 98,425
Loans at fair value	$ —	$ —	$ 2,173,759	$ 2,173,759

(1) For cash, deposits and investments in equity securities, the carrying amount is a reasonable estimate of fair value.

Assets – As of December 31, 2022 (1)	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Carrying Amount of Assets**
Loans at amortized cost for which it is practicable to estimate fair value and which are carried at net amortized cost	$ —	$ —	$ 94,968	$ 87,434
Loans at fair value	$ —	$ —	$ 1,817,976	$ 1,817,976

(1) For cash, deposits and investments in equity securities, the carrying amount is a reasonable estimate of fair value.

For those asset classes above that are required to be carried at fair value in our consolidated financial statements, gains and losses associated with fair value changes are detailed on our consolidated statements of income as a component of "Changes in fair value of loans". For our loans, interest and fees receivable included in the above table, we assess the fair value of these assets based on our estimate of future cash flows net of servicing costs, and to the extent that such cash flow estimates change from period to period, any such changes are considered to be attributable to changes in instrument-specific credit

risk.

For Level 3 assets carried at fair value measured on a recurring basis using significant unobservable inputs, the following table presents (in thousands) a reconciliation of the beginning and ending balances for the years ended December 31, 2023 and 2022:

	Loans at Fair Value	
	2023	2022
Balance at January 1,	$ 1,817,976	$ 1,026,424
Cumulative effects from adoption of fair value under the CECL standard	—	314,985
Changes in fair value of loans at fair value, included in earnings	71,024	(32,574)
Changes in fair value due to principal charge-offs, net of recoveries	(538,146)	(367,213)
Changes in fair value due to finance and fee charge-offs	(222,455)	(177,282)
Purchases	2,427,095	2,466,676
Finance and fees, added to the account balance	970,006	874,749
Settlements	(2,351,741)	(2,287,789)
Balance at December 31,	$ 2,173,759	$ 1,817,976

The unrealized gains and losses for assets within the Level 3 category presented in the tables above include changes in fair value that are attributable to both observable and unobservable inputs.

Loans at Fair Value. The fair value of loans at fair value is based on the present value of future cash flows using a valuation model of expected cash flows and the estimated cost to service and collect those cash flows. We estimate the present value of these future cash flows using internally-developed estimates of assumptions third-party market participants would use in determining fair value, including estimates of credit losses, payment rates, servicing costs, discount rates and yields earned on credit card receivables.

For Level 3 assets carried at fair value measured on a recurring basis using significant unobservable inputs, the following table presents quantitative information about the valuation techniques and the inputs used in the fair value measurement as of December 31, 2023 and December 31, 2022. Our fair value models include market degradation to reflect 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 historical and current trends would suggest. This market degradation is included in the below quantitative information:

Quantitative Information about Level 3 Fair Value Measurement

Fair Value Measurement	Fair Value at December 31, 2023 (in thousands)	Valuation Technique	Unobservable Input	Range (Weighted Average)(1)
Loans at fair value	$ 2,173,759	Discounted cash flows	Gross yield, net of finance charge charge-offs	28.3% to 38.4% (34.5%)
			Payment rate	9.5% to 9.6% (9.5%)
			Expected principal credit loss rate	30.8% to 35.6% (32.7%)
			Servicing rate	3.0% to 3.4% (3.2%)
			Discount rate	7.1% to 13.1% (10.0%)

Fair Value Measurement	Fair Value at December 31, 2022 (in thousands)	Valuation Technique	Unobservable Input	Range (Weighted Average)(1)
Loans at fair value	$ 1,817,976	Discounted cash flows	Gross yield, net of finance charge charge-offs	24.7% to 36.1% (31.6%)
			Payment rate	5.0% to 11.4% (10.3%)
			Expected principal credit loss rate	9.2% to 30.3% (30.2%)
			Servicing rate	3.5% to 6.4% (3.6%)
			Discount rate	5.6% to 15.0% (10.1%)

(1) Weighted average rates are calculated using the quotient of the gross outstanding balance of receivables at period end for each pool of receivables and the entire pool of receivables multiplied by the applicable rate for each pool of receivables

Valuations and Techniques for Liabilities

Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the liability. The table below summarizes (in thousands) by fair value hierarchy the December 31, 2023 and 2022 fair values and carrying amounts of our liabilities not carried at fair value, but for which fair value disclosures are required:

Liabilities – As of December 31, 2023	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Carrying Amount of Liabilities**
Liabilities not carried at fair value				
Revolving credit facilities	$ —	$ —	$ 1,838,647	$ 1,838,647
Amortizing debt facilities	$ —	$ —	$ 23,038	$ 23,038
Senior notes, net	$ 138,229	$ —	$ —	$ 144,453

Liabilities – As of December 31, 2022	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Carrying Amount of Liabilities**
Liabilities not carried at fair value				
Revolving credit facilities	$ —	$ —	$ 1,630,111	$ 1,630,111
Amortizing debt facilities	$ —	$ —	$ 23,195	$ 23,195
Senior notes, net	$ 125,640	$ —	$ —	$ 144,385

For our notes payable where market prices are not available, we assess the fair value of these liabilities based on our estimate of future cash flows generated from their underlying credit card receivables collateral, net of servicing compensation required under the note facilities, and to the extent that such cash flow estimates change from period to period, any such changes are considered to be attributable to changes in instrument-specific credit risk. We have evaluated the fair value of our third party debt by analyzing the expected repayment terms and credit spreads included in our recent financing arrangements obtained with similar terms. These recent financing arrangements provide positive evidence that the underlying data used in our assessment of fair value has not changed relative to the general market and therefore the fair value of our debt continues to be the same as the carrying value. See Note 10, "Notes Payable," for further discussion on our other notes payable.

Other Relevant Data

Other relevant data (in thousands) as of December 31, 2023 and December 31, 2022 concerning certain assets and liabilities we carry at fair value are as follows:

As of December 31, 2023	Loans at Fair Value	Loans at Fair Value Pledged as Collateral under Structured Financings
Aggregate unpaid gross balance of loans at fair value	$ 507	$ 2,410,748
Aggregate unpaid principal balance included within loans at fair value	$ 491	$ 2,176,845
Aggregate fair value of loans at fair value	$ 508	$ 2,173,251
Aggregate fair value of loans at fair value that are 90 days or more past due (which also coincides with finance charge and fee non-accrual policies)	$ —	$ 29,149
Unpaid principal balance of loans at fair value and are 90 days or more past due (which also coincides with finance charge and fee non-accrual policies) over the fair value of such loans, interest and fees receivable	$ 9	$ 147,803

As of December 31, 2022	Loans at Fair Value	Loans at Fair Value Pledged as Collateral under Structured Financings
Aggregate unpaid gross balance of loans at fair value	$ 786	$ 2,119,340
Aggregate unpaid principal balance included within loans at fair value	$ 760	$ 1,910,090
Aggregate fair value of loans at fair value	$ 765	$ 1,817,211
Aggregate fair value of loans at fair value that are 90 days or more past due (which also coincides with finance charge and fee non-accrual policies)	$ 3	$ 8,362
Unpaid principal balance of loans at fair value and are 90 days or more past due (which also coincides with finance charge and fee non-accrual policies) over the fair value of such loans, interest and fees receivable	$ 4	$ 144,767

7. Property

Details (in thousands) of our property on our consolidated balance sheets are as follows:

	As of December 31,	
	2023	2022
Software	$ 850	$ 850
Furniture and fixtures	3,286	2,872
Data processing and telephone equipment	684	502
Leasehold improvements	5,972	3,437
Other	7,576	6,910
Total cost	18,368	14,571
Less accumulated depreciation	(6,923)	(4,558)
Property, net	$ 11,445	$ 10,013

Depreciation expense totaled $2.6 million and $2.2 million for the years ended December 31, 2023 and 2022, respectively.

8. Variable Interest Entities

The Company contributes the vast majority of receivables to VIEs. These entities are sometimes established to facilitate third party financing. When assets are contributed to a VIE, they serve as collateral for the debt securities issued by that VIE. The evaluation of whether the entity qualifies as a VIE is based upon the sufficiency of the equity at risk in the legal entity. This evaluation is generally a function of the level of excess collateral in the legal entity. We consolidate VIEs when we hold a variable interest and we have exposure to loss that has the potential to be significant and therefore, are the primary beneficiary. Through our role as servicer, we have the power to direct activities to service the receivables (in accordance with defined servicing procedures), and as such, have the ability to significantly impact the economic performance of those VIEs. In certain circumstances we guarantee the performance of the underlying debt or agree to contribute additional collateral when necessary, which results in retention of exposure to loss that has the potential to be significant. As a result, the Company is the primary beneficiary and consolidates the VIEs. When collateral is pledged, it is not available for the general use of the Company and can only be used to satisfy the related debt obligation. The results of operations and financial position of consolidated VIEs are included in our consolidated financial statements.

The following table presents a summary of VIEs in which we had continuing involvement and held a variable interest (in millions):

	As of	
	December 31, 2023	December 31, 2022
Unrestricted cash and cash equivalents	$ 158.0	$ 202.2
Restricted cash and cash equivalents	20.5	27.6
Loans at fair value	2,128.6	1,735.9
Total Assets held by VIEs	$ 2,307.1	$ 1,965.7
Notes Payable, net held by VIEs	$ 1,795.9	$ 1,586.0
Maximum exposure to loss due to involvement with VIEs	$ 2,099.0	$ 1,756.0

9. Leases

We have operating leases primarily associated with our corporate offices and regional service centers as well as for certain equipment. Our leases have remaining lease terms of 1 to 11 years, some of which include options, at our discretion, to extend the leases for additional periods generally on one-year revolving periods. Other leases allow for us to terminate the lease based on appropriate notification periods. For certain of our leased offices, we sublease a portion of the unoccupied space. The components of lease expense associated with our lease liabilities and supplemental cash flow information related to those leases were as follows (dollar amounts in thousands):

	For the Year Ended December 31,	
	2023	2022
Operating lease cost, gross	$ 2,558	$ 4,431
Sublease income	(96)	(2,165)
Net Operating lease cost	$ 2,462	$ 2,266
Cash paid under operating leases, gross	$ 1,871	$ 4,053
Weighted average remaining lease term - months	122	133
Weighted average discount rate	6.6%	6.5%

As of December 31, 2023, maturities of lease liabilities were as follows (in thousands):

	Gross Lease Payment	Payments received from Sublease	Net Lease Payment
2024	$ 2,948	$ (40)	$ 2,908
2025	2,807	—	2,807
2026	2,672	—	2,672
2027	2,555	—	2,555
2028	2,536	—	2,536
Thereafter	14,848	—	14,848
Total lease payments	28,366	(40)	28,326
Less imputed interest	(8,186)		
Total	$ 20,180		

In August 2021, we entered into an operating lease agreement for our corporate headquarters in Atlanta, Georgia with an unaffiliated third party. This lease covers approximately 73,000 square feet and commenced in June 2022 for a 146 month term. The total commitment under this lease is approximately $27.8 million and is included in the table above. In connection with the commencement of this lease, we discontinued most of the subleasing arrangements with third parties for space at our corporate headquarters. A right-of-use asset and liability was recorded at the commencement date of this lease.

In addition, we occasionally lease certain equipment under cancelable and non-cancelable leases, which are accounted for as capital leases in our consolidated financial statements. As of December 31, 2023, we had no material non-cancelable capital leases with initial or remaining terms of more than one year.

10. Notes Payable

Notes Payable, at Face Value

Other notes payable outstanding as of December 31, 2023 and December 31, 2022 that are secured by the financial and operating assets of either the borrower, another of our subsidiaries or both, include the following, scheduled (in millions); except as otherwise noted, the assets of our holding company (Atlanticus Holdings Corporation) are subject to creditor claims under these scheduled facilities:

	As of	
	December 31, 2023	December 31, 2022
Revolving credit facilities at a weighted average interest rate equal to 6.3% as of December 31, 2023 (5.1% as of December 31, 2022) secured by the financial and operating assets of CAR and/or certain receivables and restricted cash with a combined aggregate carrying amount of $2,252.9 million as of December 31, 2023 ($1,856.2 million as of December 31, 2022)		
Revolving credit facility, not to exceed $65.0 million (expiring November 1, 2025) (1) (2) (3)	$ 42.7	$ 44.1
Revolving credit facility, not to exceed $50.0 million (expiring October 30, 2025) (2) (3) (4) (5)	38.6	50.0
Revolving credit facility, not to exceed $100.0 million (expiring December 15, 2025) (2) (3) (4) (5) (6)	—	—
Revolving credit facility, not to exceed $50.0 million (expiring July 20, 2025) (2) (3) (4) (5)	47.5	24.6
Revolving credit facility, not to exceed $20.0 million (expiring December 11, 2024) (2) (3) (4) (5)	14.3	11.1
Revolving credit facility, not to exceed $200.0 million (paid off in September 2023)	—	188.9
Revolving credit facility, not to exceed $88.9 million (paid off in November 2023) (3) (4) (5) (6)	—	100.0
Revolving credit facility, not to exceed $250.0 million (expiring October 15, 2025) (3) (4) (5) (6)	250.0	250.0
Revolving credit facility, not to exceed $35.0 million (expiring July 31, 2026) (2) (3) (4) (5)	15.0	25.0
Revolving credit facility, not to exceed $300.0 million (expiring December 15, 2026) (3) (4) (5) (6)	300.0	300.0
Revolving credit facility, not to exceed $75.0 million (expiring September 1, 2025) (2) (3) (4) (5) (6)	—	—
Revolving credit facility, not to exceed $300.0 million (expiring May 15, 2026) (3) (4) (5) (6)	300.0	300.0
Revolving credit facility, not to exceed $250.0 million (expiring January 15, 2029) (3) (4) (5) (6)	250.0	250.0
Revolving credit facility, not to exceed $100.0 million (expiring August 5, 2024) (3) (4) (5) (6)	50.0	—
Revolving credit facility, not to exceed $100.0 million (expiring March 15, 2027) (3) (4) (5) (6)	100.0	100.0
Revolving credit facility, not to exceed $20.0 million (expiring May 26, 2026) (3) (4) (5)	—	—
Revolving credit facility, not to exceed $300.0 million (expiring February 15, 2028) (3) (4) (5) (6)	300.0	—
Revolving credit facility, not to exceed $150.0 million (expiring May 17, 2027) (3) (4) (5) (6)	150.0	—
Other facilities		
Other debt	5.6	5.8
Unsecured term debt (expiring August 26, 2024) with a weighted average interest rate equal to 8.0% (3)	17.4	17.4
Total notes payable before unamortized debt issuance costs and discounts	1,881.1	1,666.9
Unamortized debt issuance costs and discounts	(19.4)	(13.6)
Total notes payable outstanding, net	$ 1,861.7	$ 1,653.3

(1) Loan is subject to certain affirmative covenants, including a coverage ratio, a leverage ratio and a collateral performance test, the failure of which could result in required early repayment of all or a portion of the outstanding balance by our CAR Auto Finance operations.
(2) These notes reflect modifications to either extend the maturity date, increase the loan amount or both, and are treated as accounting modifications.
(3) See below for additional information.
(4) Loans are subject to certain affirmative covenants tied to default rates and other performance metrics the failure of which could result in required early repayment of the remaining unamortized balances of the notes.
(5) Loans are associated with VIEs. See Note 8, "Variable Interest Entities" for more information.
(6) Creditors do not have recourse against the general assets of the Company but only to the collateral within the VIEs.
***** As of December 31, 2023, the Prime Rate was 8.50% and the Secured Overnight Financing Rate ("SOFR") was 5.38%.

In October 2015, we (through a wholly owned subsidiary) entered a revolving credit facility with a (as subsequently amended) $50.0 million revolving borrowing limit that can be drawn to the extent of outstanding eligible principal receivables (of which $38.6 million was drawn as of December 31, 2023). This facility is secured by the loans, interest and fees receivable and related restricted cash and accrues interest at an annual rate equal to SOFR plus 3.0%. The facility matures on October 30, 2025 and is subject to certain affirmative covenants, including a liquidity test and an eligibility test, the failure of which could result in required early repayment of all or a portion of the outstanding balance. The facility is guaranteed by Atlanticus, which is required to maintain certain minimum liquidity levels.

In October 2016, we (through a wholly owned subsidiary) entered a revolving credit facility available to the extent of outstanding eligible principal receivables of our CAR subsidiary (of which $42.7 million was drawn as of December 31, 2023). This facility is secured by the financial and operating assets of CAR and accrues interest at an annual rate equal to SOFR plus a range between 2.25% and 2.6% based on certain ratios. The loan is subject to certain affirmative covenants, including a coverage ratio, a leverage ratio and a collateral performance test, the failure of which could result in required early repayment of all or a portion of the outstanding balance. In periods subsequent to October 2016, we amended the original agreement to either extend the maturity date and/or expand the capacity of this revolving credit facility. As of December 31, 2023, the facility's borrowing limit was $65.0 million and the facility matures on November 1, 2025. There were no other material changes to the existing terms or conditions as a result of these amendments and the new maturity date and borrowing limit are reflected in the table above.

In December 2017, we (through a wholly owned subsidiary) entered a revolving credit facility with a (as subsequently amended) $50.0 million revolving borrowing limit that is available to the extent of outstanding eligible principal receivables (of which $47.5 million was drawn as of December 31, 2023). This facility is secured by the loans, interest and fees receivable and related restricted cash and accrues interest at an annual rate equal to Term Secured Overnight Financing Rate ("Term SOFR") plus 3.6%. An amendment was completed in July 2023 that extended the maturity to July 20, 2025. There were no other material changes to the existing terms. The facility is subject to certain affirmative covenants, including payment, delinquency and charge-off tests, the failure of which could result in required early repayment of all or a portion of the outstanding balance. The note is guaranteed by Atlanticus.

In 2018, we (through a wholly owned subsidiary) entered a revolving credit facility to sell up to an aggregate $100.0 million of notes that are secured by the receivables and other assets of the trust (of which $0.0 million was outstanding as of December 31, 2023) that can be drawn upon to the extent of outstanding eligible receivables. The interest rate on the notes equals the SOFR plus 3.75%. The facility matures on December 15, 2025, and is subject to certain affirmative covenants and collateral performance tests, the failure of which could result in required early repayment of all or a portion of the outstanding balance of notes. As of December 31, 2023, the aggregate borrowing limit was $100.0 million.

In June 2019, we (through a wholly owned subsidiary) entered a revolving credit facility with a (as subsequently amended) $20.0 million revolving borrowing limit that is available to the extent of outstanding eligible principal receivables (of which $14.3 million was drawn as of December 31, 2023). This facility is secured by the loans, interest and fees receivable and related restricted cash and accrues interest at an annual rate equal to the Prime Rate. The facility matures on December 11, 2024. The note is guaranteed by Atlanticus.

In August 2019, Atlanticus Holdings Corporation issued a $17.4 million term note, which bears interest at a fixed rate of 8.0% and is due in August 2024.

In November 2019, we (through a wholly owned subsidiary) sold $200.0 million of ABS secured by certain credit card receivables. The terms of the ABS allowed for a three-year revolving structure with a subsequent 12-month to 18-month amortization period. The weighted average interest rate on the securities was fixed at 4.91%. This facility was paid off in September 2023.

In July 2020, we (through a wholly owned subsidiary) sold $100.0 million of ABS secured by certain private label credit receivables. The terms of the ABS allowed for a three-year revolving structure with a subsequent 18-month amortization period. The weighted average interest rate on the securities was fixed at 5.47%. This facility was paid off in November 2023.

In October 2020, we (through a wholly owned subsidiary) sold $250.0 million of ABS secured by certain private label credit receivables. A portion of the proceeds from the sale was used to pay down our existing term ABS associated with our private label credit receivables, noted above, and the remaining proceeds were used to fund the acquisition of receivables. The terms of the ABS allow for a 41-month revolving structure with an 18-month amortization period, and the securities mature between August 2025 and October 2025. The weighted average interest rate on the securities is fixed at 4.1%.

In January 2021, we (through a wholly owned subsidiary) entered a revolving credit facility with a (as subsequently amended) $35.0 million borrowing limit (of which $15.0 million was drawn as of December 31, 2023) that is available to the extent of outstanding eligible principal receivables. This facility is secured by the loans, interest and fees receivable and related restricted cash and accrues interest at an annual rate equal to the greater of the Prime Rate or 4%. The facility matures on July 31, 2026 and is subject to certain affirmative covenants, including a liquidity test and an eligibility test, the failure of which could result in required early repayment of all or a portion of the outstanding balance. The note is guaranteed by Atlanticus, which is required to maintain certain minimum liquidity levels.

In June 2021, we (through a wholly owned subsidiary) sold $300.0 million of ABS secured by certain credit card receivables (expiring May 15, 2026 through December 15, 2026). The terms of the ABS allow for a four-year revolving structure with a subsequent 11-month to 18-month amortization period. The weighted average interest rate on the securities is fixed at 4.24%.

In September 2021, we (through a wholly owned subsidiary) entered a term facility with a $75.0 million limit (of which $0.0 million was outstanding as of December 31, 2023) that is available to the extent of outstanding eligible principal receivables. This facility is secured by the loans, interest and fees receivable and related restricted cash and accrues interest at an annual rate equal to Term SOFR plus 2.75%. The terms of the facility allow for a 24-month revolving structure with an 18-month amortization period and the facility matures in (as subsequently amended) September 2025.

In November 2021, we (through a wholly owned subsidiary) sold $300.0 million of ABS secured by certain credit card receivables (expiring May 15, 2026). The terms of the ABS allow for a three-year revolving structure with a subsequent 18-month amortization period. The weighted average interest rate on the securities is fixed at 3.53%.

In May 2022, we (through a wholly owned subsidiary) entered a $250.0 million ABS agreement (of which $250.0 million was drawn as of December 31, 2023) secured by certain credit card receivables (expiring January 15, 2029). The terms of the ABS allow for a five-year revolving structure with a subsequent 18-month amortization period. The weighted average interest rate on the securities is fixed at 6.33%.

In August 2022, we (through a wholly owned subsidiary) entered a $100.0 million ABS agreement secured by certain credit card receivables (of which $50.0 million was outstanding as of December 31, 2023) that can be drawn upon to the extent of outstanding eligible receivables. The interest rate on the notes is based on the Term SOFR plus 1.8%. The facility matures on August 5, 2024.

In September 2022, we (through a wholly owned subsidiary) sold $100.0 million of ABS secured by certain private label credit receivables (expiring March 15, 2027). A portion of the proceeds from the sale was used to pay down other revolving facilities associated with our private label credit receivables, noted above, and the remaining proceeds have been invested in the acquisition of receivables. The terms of the ABS allow for a 3-year revolving structure with an 18-month amortization period. The weighted average interest rate on the securities is fixed at 7.32%.

In May 2023, we (through a wholly owned subsidiary) entered a revolving credit facility with a $20.0 million revolving borrowing limit that is available to the extent of outstanding eligible principal receivables (of which $0.0 million was drawn as of December 31, 2023). This facility is secured by the loans, interest and fees receivable and related restricted cash and accrues interest at an annual rate equal to the Term SOFR plus 3.75%. The facility matures on May 26, 2026 and is subject to certain covenants and restrictions of which the failure could result in required early repayment of all or a portion of the outstanding balance. The note is guaranteed by Atlanticus.

In September 2023, we (through a wholly owned subsidiary) sold $300.0 million of ABS secured by certain credit card receivables (expiring February 15, 2028). A portion of the proceeds from the sale was used to pay down other facilities associated with our credit card receivables, noted above, and the remaining proceeds have been invested in the acquisition of receivables. The terms of the ABS allow for a three-year revolving structure with a subsequent 18-month amortization period. The weighted average interest rate on the securities is fixed at 9.51%.

In November 2023, we (through a wholly owned subsidiary) sold $150.0 million of ABS secured by certain private label credit receivables (expiring May 17, 2027). A portion of the proceeds from the sale was used to pay down other revolving facilities associated with our private label credit receivables, noted above, and the remaining proceeds have been invested in the acquisition of receivables. The terms of the ABS allow for a 2-year revolving structure with an 18-month amortization period. The weighted average interest rate on the securities is fixed at 9.39%.

As of December 31, 2023, we were in compliance with the covenants underlying our various notes payable and credit facilities.

Senior Notes, net

In November 2021, we issued $150.0 million aggregate principal amount of senior notes (included on our consolidated balance sheet as "Senior notes, net"). The senior notes are general unsecured obligations of the Company and rank equally in right of payment with all of the Company's existing and future senior unsecured and unsubordinated indebtedness, and will rank senior in right of payment to the Company's future subordinated indebtedness, if any. The senior notes are effectively subordinated to all of the Company's existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness, and the senior notes are structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) of the Company's subsidiaries (excluding any amounts owed by such subsidiaries to the Company). The senior notes bear interest at the rate of 6.125% per annum. Interest on the senior notes is payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year. The senior notes will mature on November 30, 2026. We are amortizing fees associated with the issuance of the senior notes into interest expense over the expected life of the notes. Amortization of these fees for the years ended December 31, 2023 and 2022 totaled $1.4 million and $1.4 million, respectively. We repurchased $1.4 million and $0.0 of the outstanding principal amount of these senior notes for years ended December 31, 2023 and 2022, respectively.

11. Commitments and Contingencies

General

Under finance products available in the private label credit and general purpose credit card channels, consumers have the ability to borrow up to the maximum credit limit assigned to each individual's account. Unfunded commitments under these products aggregated $2.5 billion at December 31, 2023. We have never experienced a situation in which all borrowers have exercised their entire available lines of credit at any given point in time, nor do we anticipate this will ever occur in the future. Moreover, there would be a concurrent increase in assets should there be any exercise of these lines of credit.

Additionally, our CAR operations provide floor-plan financing for a pre-qualified network of independent automotive dealers and automotive finance companies in the buy-here, pay-here used car business. The floor plan financing allows dealers and finance companies to borrow up to the maximum pre-approved credit limit allowed in order to finance ongoing inventory needs. These loans are secured by the underlying auto inventory and, in certain cases where we have other lending products outstanding with the dealer, are secured by the collateral under those lending arrangements as well, including any outstanding dealer reserves. As of December 31, 2023, CAR had unfunded outstanding floor-plan financing commitments totaling $10.2 million. Each draw against unused commitments is reviewed for conformity to pre-established guidelines and is not unconditional.

Under agreements with third-party originating and other financial institutions, we have pledged security (collateral) related to their issuance of consumer credit and purchases thereunder, of which $23.8 million remains pledged as of December 31, 2023 to support various ongoing contractual obligations.

Under agreements with third-party originating and other financial institutions, we have agreed to indemnify the financial institutions for certain liabilities associated with the services we provide on behalf of the financial institutions—such indemnification obligations generally being limited to instances in which we either (a) have been afforded the opportunity to defend against any potentially indemnifiable claims or (b) have reached agreement with the financial institutions regarding settlement of potentially indemnifiable claims. As of December 31, 2023, we have assessed the likelihood of any potential payments related to the aforementioned contingencies as remote. We would accrue liabilities related to these contingencies in any future period if and in which we assess the likelihood of an estimable payment as probable.

Under the account terms, consumers have the option of enrolling with our issuing bank partners in a credit protection program, which would make the minimum payments owed on their accounts for a period of up to six months upon the occurrence of an eligible event. Eligible events typically include loss of life, job loss, disability, or hospitalization. As an acquirer of receivables, our potential exposure under this program, if all eligible participants applied for this benefit, was $75.2 million as of December 31, 2023. We have never experienced a situation in which all eligible participants have applied for this benefit at any given point in time, nor do we anticipate this will ever occur in the future. We include our estimate of future claims under this program within our fair value analysis of the associated receivables.

Concentrations

We acquire all of our fair value receivables under agreements with two third-party originating institutions.

Our five largest retail partners account for over 70% of our outstanding private label credit receivables as of December 31, 2023. Our receivables base is diverse and spread across individual consumers in the U.S. As of December 31, 2023, only one state (Texas) had receivables concentration in excess of 10% of the total pool of receivables.

Litigation

We are involved in various legal proceedings that are incidental to the conduct of our business. There are currently no pending legal proceedings that are expected to be material to us.

12. Income Taxes

Deferred tax assets and liabilities reflect the effects of tax losses, credits, and the future income tax effects of temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The current and deferred portions (in thousands) of our federal, foreign, and state and other income tax expenses or benefits are as follows:

	For the Year Ended December 31, 2023	2022
Federal income tax (expense):		
Current tax benefit	$ 11,536	$ 4,352
Deferred tax (expense)	(34,056)	(16,623)
Total federal income tax (expense)	$ (22,520)	$ (12,271)
Foreign income tax (expense):		
Current tax (expense)	$ (124)	$ (183)
Deferred tax benefit	10	3
Total foreign income tax (expense)	$ (114)	$ (180)
State and other income tax (expense):		
Current tax (expense) benefit	$ (191)	$ 2,146
Deferred tax (expense)	(3,779)	(4,355)
Total state and other income tax (expense)	$ (3,970)	$ (2,209)
Total income tax (expense)	$ (26,604)	$ (14,660)

We experienced an effective income tax expense rate of 20.6% and 9.8% for the years ended December 31, 2023, and December 31, 2022, respectively. Our effective income tax expense rates for these years are below the statutory rate principally due to (1) deductions associated with the exercise of stock options and the vesting of restricted stock at times when the fair value of our stock exceeded such share-based awards' grant date values and (2) our deduction for income tax purposes of amounts characterized in our consolidated financial statements as dividends on a preferred stock issuance, such amounts constituting deductible interest expense on a debt issuance for tax purposes. Offsetting the above factors are the effects on our effective tax rate of state and foreign income tax expense, taxes on global intangible low-taxed income, and executive compensation deduction limitations under Section 162(m) of the Code. Further details related to the above are reflected in the table below reconciling our effective income tax expense rate to the statutory rate.

We report income tax-related interest and penalties (including those associated with both our accrued liabilities for uncertain tax positions and unpaid tax liabilities) within our income tax line item on our consolidated statements of income. We likewise report the reversal of income tax-related interest and penalties within such line item to the extent we resolve our liabilities for uncertain tax positions or unpaid tax liabilities in a manner favorable to our accruals therefor. We recognized $0.4 million in potential interest expense associated with uncertain tax positions during the year ended December 31, 2023, compared to de minimis interest expense experienced in 2022.

The following table reconciles our effective income tax expense rate to the statutory rate for 2023 and 2022:

	For the Year Ended December 31, 2023	2022
Statutory federal expense rate	21.0%	21.0%
(Decrease) increase in statutory federal tax expense rate resulting from:		
Share-based compensation	(2.3)	(10.5)
Section 162(m) of the Code executive compensation deduction limitations	2.3	0.2
Net interest and penalties related to uncertain tax positions and unpaid tax liabilities	0.1	0.1
Interest expense on preferred stock classified as debt for tax purposes	(2.6)	(2.3)
Foreign taxes	(0.2)	(0.2)
State taxes, net of federal tax benefit	3.9	2.7
Valuation allowances changes affecting the provision for income taxes	(1.5)	(1.3)
Prior year provision to return reconciling items, tax effects of non-controlling interests, and other	(0.4)	(0.1)
Global intangible low-taxed income tax	0.3	0.2
Effective tax expense rate	20.6%	9.8%

As of December 31, 2023, and December 31, 2022, the respective significant components (in thousands) of our deferred tax assets and liabilities (which are included as a component of our Income tax liability on our consolidated balance sheets) were:

	As of December 31,	
	2023	2022
Deferred tax assets:		
Capitalized research and experimentation expenditures and fixed assets	$ 1,612	$ 1,445
Provision for credit loss	1,791	1,716
Credit card and other loans receivable fair value election differences	54,208	70,966
Equity-based compensation	1,594	1327
Accrued expenses	183	156
Accruals for state taxes and interest associated with unrecognized tax benefits and unpaid accrued tax liabilities	235	195
Federal net operating loss carry-forwards	35,199	22,626
Federal credit carry-forward	231	—
Foreign net operating loss carry-forward	221	304
Other	1,609	1056
State tax benefits, primarily from net operating losses	26,550	28,796
Deferred tax assets, gross	$ 123,433	$ 128,587
Valuation allowances	(18,729)	(20,699)
Deferred tax assets, net of valuation allowances	$ 104,704	$ 107,888
Deferred tax (liabilities):		
Prepaid expenses and other	$ (1,096)	$ (1,030)
Equity in income of equity-method investee	(945)	(792)
Market discount on acquired marked discount bonds	(190,918)	(155,879)
Deferred costs	(24)	(641)
Deferred tax (liabilities), gross	$ (192,983)	$ (158,342)
Deferred tax (liabilities), net	$ (88,279)	$ (50,454)

We undertook a detailed review of our deferred taxes and determined that a valuation allowance was required for certain deferred tax assets in state tax jurisdictions within the U.S. and in the U.K. We reduce our deferred tax assets by valuation allowances if it is more likely than not that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences are deductible. In making our valuation allowance determinations, we consider all available positive and negative evidence affecting specific deferred tax assets, including our past and anticipated future performance, the reversal of deferred tax liabilities, the length of carry-back and carry-forward periods, and the implementation of tax planning strategies. Because our valuation allowance evaluations require consideration of future events, significant judgment is required in making the evaluations, and our conclusions could be materially different if our expectations are not met. Our valuation allowances totaled $18.7 million and $20.7 million as of December 31, 2023, and December 31, 2022, respectively.

Certain of our deferred tax assets relate to federal, foreign, and state net operating losses, and we have no other net operating loss, capital loss, or credit carryforwards other than those noted herein. We have recorded a federal deferred tax asset of $35.2 million (based on indefinite-lived federal net operating loss carryforwards of $167.3 million). We have recorded state deferred tax assets of $26.5 million based on state net operating loss carryforwards, some of which are indefinite-lived and some which expire in various years beginning in 2024; valuation allowances of $18.2 million have be recorded, however, against the $26.5 million of such state deferred tax assets.

Our subsidiaries file federal, foreign, and/or state and other income tax returns. In the normal course of our business, we are subject to examination by taxing authorities throughout the world, including such major jurisdictions as the U.S., the U.K., and various U.S. states and territories. With a few exceptions of a non-material nature, we are no longer subject to federal, state, local, or foreign income tax examinations for years prior to 2019.

Roll-forwards (in thousands) of our unrecognized tax benefits (excluding accrued interest related thereto of $1.1 million as of December 31, 2023, and $0.9 million as of December 31, 2022) from the beginning to the end of 2023 and 2022, respectively, are as follows:

	2023	2022
Balance at January 1,	$ (22,692)	$ (605)
Reductions based on tax positions related to prior years	21,983	79
(Additions) based on tax positions related to prior years	—	(11,965)
(Additions) based on tax positions related to the current year	(29)	(10,201)
Balance at December 31,	$ (738)	$ (22,692)

Our unrecognized tax benefits that, if recognized, would affect our effective tax expense rate are not material at only $1.1million and $0.9 million as of December 31, 2023, and December 31, 2022, respectively.

13. Net Income Attributable to Controlling Interests Per Common Share

We compute net income attributable to controlling interests per common share by dividing net income attributable to controlling interests by the weighted average number of shares of common stock (including participating securities) outstanding during the period, as discussed below. Diluted computations applicable in financial reporting periods in which we report income use the treasury stock method to reflect the potential dilution to the basic income per share of common stock computations that could occur if securities or other contracts to issue common stock were exercised, were converted into common stock or were to result in the issuance of common stock that would share in our results of operations. In performing our net income attributable to controlling interests per share of common stock computations, we apply accounting rules that require us to include all unvested stock awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, in the number of shares outstanding in our basic and diluted calculations. Common stock and certain unvested share-based payment awards earn dividends equally, and we have included all outstanding restricted stock awards in our basic and diluted calculations for current and prior periods.

The following table sets forth the computations of net income attributable to controlling interests per share of common stock (in thousands, except per share data):

	December 31,	
	2023	2022
Numerator:		
Net income attributable to controlling interests	$ 102,845	$ 135,597
Preferred stock and preferred unit dividends and discount accretion	(25,198)	(25,076)
Net income attributable to common shareholders—basic	77,647	110,521
Effect of dilutive preferred stock dividends and discount accretion	2,400	2,400
Net income attributable to common shareholders—diluted	$ 80,047	$ 112,921
Denominator:		
Basic (including unvested share-based payment awards) (1)	14,504	14,629
Effect of dilutive stock compensation arrangements and exchange of preferred stock	4,378	4,747
Diluted (including unvested share-based payment awards) (1)	18,882	19,376
Net income attributable to common shareholders per share—basic	$ 5.35	$ 7.55
Net income attributable to common shareholders per share—diluted	$ 4.24	$ 5.83

(1) Shares related to unvested share-based payment awards included in our basic and diluted share counts were 230,428 for the year ended December 31, 2023, compared to 137,046 for the year ended December 31, 2022.

As their effects were anti-dilutive, we excluded stock options to purchase 0.1 million shares from our net income attributable to controlling interests per share of common stock calculations for the year ended December 31, 2023. We excluded stock options to purchase 0.1 million shares from our net income attributable to controlling interests per share of common stock calculations for the year ended December 31, 2022.

For the years ended December 31, 2023 and 2022, we included 4.0 million shares of common stock for each period in our outstanding diluted share counts associated with our Series A Preferred Stock. See Note 5, "Redeemable Preferred Stock", for a further discussion of these convertible securities.

14. Stock-Based Compensation

We currently have two stock-based compensation plans, the Second Amended and Restated Employee Stock Purchase Plan (the "ESPP") and the Fourth Amended and Restated 2014 Equity Incentive Plan (the "Fourth Amended 2014 Plan"). Our ESPP provides that we may issue up to 500,000 shares of our common stock under the plan. Our Fourth Amended 2014 Plan provides that we may grant up to 5,750,000 options on or shares of our common stock (and other types of equity awards) to members of our Board of Directors, employees, consultants and advisors. The Fourth Amended 2014 Plan was approved by our shareholders in May 2019. As of December 31, 2023, 47,111 shares remained available for issuance under the ESPP and 2,134,266 shares remained available for issuance under the Fourth Amended 2014 Plan.

Exercises and vestings under our stock-based compensation plans resulted in no income tax-related charges to paid-in capital during the years ended December 31, 2023 and 2022.

Restricted Stock and Restricted Stock Units

During the years ended December 31, 2023 and 2022, we granted 148,546 shares and 105,360 shares of restricted stock and restricted stock units (net of any forfeitures), respectively, with aggregate grant date fair values of $3.7 million and $4.9 million, respectively. We incurred expenses of $3.1 million and $2.6 million during the years ended December 31, 2023 and 2022, respectively, related to restricted stock awards. When we grant restricted stock and restricted stock units, we defer the grant date value of the restricted stock and restricted stock unit and amortize that value (net of the value of anticipated forfeitures) as compensation expense with an offsetting entry to the paid-in capital component of our consolidated shareholders' equity. Our restricted stock awards typically vest over a range of 12 to 60 months (or other term as specified in the grant which may include the achievement of performance measures) and are amortized to salaries and benefits expense ratably over applicable vesting periods. As of December 31, 2023, our unamortized deferred compensation costs associated with non-vested restricted stock awards were $3.9 million with a weighted-average remaining amortization period of 2.6 years. No forfeitures have been included in our compensation cost estimates based on historical forfeiture rates.

The table below includes additional information about outstanding restricted stock and restricted stock units:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2022	147,317	$ 40.88
Issued	152,446	$ 25.26
Vested	(51,638)	$ 33.51
Forfeited	(3,900)	$ 37.51
Outstanding at December 31, 2023	244,225	$ 32.75

Stock Options

The exercise price per share of the options awarded under the Fourth Amended 2014 Plan must be equal to or greater than the market price on the date the option is granted. The option period may not exceed 10 years from the date of grant. We had expense of $0.7 million and $1.6 million related to stock option-related compensation costs during the years ended December 31, 2023 and 2022, respectively. When applicable, we recognize stock option-related compensation expense for any awards with graded vesting on a straight-line basis over the vesting period for the entire award. The table below includes additional information about outstanding options:

	Number of Shares	Weighted Average Exercise Price	Weighted Average of Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2022	802,163	$ 12.23		
Issued	—	$ —		
Exercised	(576,758)	$ 5.90		
Expired/Forfeited	(1,999)	$ 15.30		
Outstanding at December 31, 2023	223,406	$ 28.52	2.2	$ 2,502,824
Exercisable at December 31, 2023	178,790	$ 26.31	2.1	$ 2,366,192

Information on stock options granted, exercised and vested is as follows (in thousands, except per share data):

	Year ended December 31, 2023	Year ended December 31, 2022
Weighted average fair value per share of options granted	N/A	N/A
Cash received from options exercised, net	$ 3,405	$ 3,731
Aggregate intrinsic value of options exercised	$ 15,497	$ 74,296
Grant date fair value of shares vested	$ 1,435	$ 1,802

No options were issued during the years ended December 31, 2023 and 2022. We had $0.1 million and $0.8 million of unamortized deferred

compensation costs associated with non-vested stock options as of December 31, 2023 and 2022, respectively, with a weighted average remaining amortization period of 0.5 years as of December 31, 2023. Upon exercise of outstanding options, the Company issues new shares.

15. Employee Benefit Plans

We maintain a defined contribution retirement plan ("401(k) plan") for our U.S. employees that provides for a matching contribution by us. All full time U.S. employees are eligible to participate in the 401(k) plan. We made matching contributions of $748,734 and $341,245 for the years ended December 31, 2023 and 2022, respectively, which were included as a component of Salaries and benefits in the accompanying Consolidated Statements of Income.

Also, all employees, excluding executive officers, are eligible to participate in the ESPP. Under the ESPP, employees can elect to have up to 10% of their annual wages withheld to purchase our common stock up to a fair market value of $10,000. The amounts deducted and accumulated by each participant are used to purchase shares of common stock on or as promptly as practicable after the last business day of each month. The price of stock purchased under the ESPP is approximately 85% of the fair market value per share of our common stock on the purchase date. Employees contributed $108,351 to purchase 3,929 shares of common stock in 2023 and $107,995 to purchase 3,280 shares of common stock in 2022 under the ESPP. The ESPP covers up to 100,000 shares of common stock. Our charge to expense associated with the ESPP was $35,691 and $35,348 in 2023 and 2022 respectively, which were included as a component of Salaries and benefits in the accompanying Consolidated Statements of Income.

16. Related Party Transactions

Under a shareholders' agreement which we entered into with certain shareholders, including David G. Hanna, Frank J. Hanna, III and certain trusts that were Hanna affiliates, following our initial public offering (1) if one or more of the shareholders accepts a bona fide offer from a third party to purchase more than 50% of the outstanding common stock, each of the other shareholders that is a party to the agreement may elect to sell his shares to the purchaser on the same terms and conditions, and (2) if shareholders that are a party to the agreement owning more than 50% of the common stock propose to transfer all of their shares to a third party, then such transferring shareholders may require the other shareholders that are a party to the agreement to sell all of the shares owned by them to the proposed transferee on the same terms and conditions.

In June 2007, we entered into a sublease for 1,000 square feet (as later adjusted to 3,100 square feet) of excess office space at our Atlanta headquarters with HBR Capital, Ltd. ("HBR"), a company co-owned by David G. Hanna and his brother Frank J. Hanna, III. The sublease rate per square foot is the same as the rate that we pay under the prime lease. Under the sublease, HBR paid us $95,653 and $62,422 for 2023 and 2022, respectively. The aggregate amount of payments required under the sublease from January 1, 2024 to the expiration of the sublease in May 2024 is $40,184.

In January 2013, HBR began leasing the services of certain employees from us. HBR reimburses us for the full cost of the employees, based on the amount of time devoted to HBR. In the years ended December 31, 2023 and 2022, we received $605,374 and $404,302, respectively, of reimbursed costs from HBR associated with these leased employees.

On November 26, 2014, we and certain of our subsidiaries entered into a Loan and Security Agreement with Dove. The agreement provided for a senior secured term loan facility in an amount of up to $40.0 million at any time outstanding. On December 27, 2019, the Company issued 400,000 shares of its Series A Preferred Stock with an aggregate initial liquidation preference of $40.0 million, in exchange for full satisfaction of the $40.0 million that the Company owed Dove under the Loan and Security Agreement. Dove is a limited liability company owned by three trusts. David G. Hanna is the sole shareholder and the President of the corporation that serves as the sole trustee of one of the trusts, and David G. Hanna and members of his immediate family are the beneficiaries of this trust. Frank J. Hanna, III is the sole shareholder and the President of the corporation that serves as the sole trustee of the other two trusts, and Frank J. Hanna, III and members of his immediate family are the beneficiaries of these other two trusts. See Note 5 "Redeemable Preferred Stock" for more information.

During 2022, the Company utilized Axiom Bank, NA to provide legal and other services related to various commercial opportunities. David G. Hanna, Frank J. Hanna, III and members of their immediate families, control and own Axiom Bancshares, Inc., which is the bank holding company for Axiom Bank, NA. The aggregate amount of payments made to Axiom Bank, NA during 2022 was $1.0 million.

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Below is a summary description of the following four securities of Atlanticus Holdings Corporation ("Atlanticus") that are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (i) common stock, no par value per share (the "common stock"), (ii) 7.625% Series B Cumulative Perpetual Preferred Stock (the "Series B Preferred Stock"); (iii) 6.125% senior notes due 2026 (the "2026 Notes"); and (iv) 9.25% senior notes due 2029 (the "2029 Notes").

DESCRIPTION OF COMMON STOCK

General

Atlanticus is incorporated in the State of Georgia. The rights of shareholders of Atlanticus are generally governed by Georgia law and Atlanticus' Amended and Restated Articles of Incorporation (the "Articles of Incorporation"), and Amended and Restated Bylaws (the "Bylaws").

The following summary highlights selected information regarding Atlanticus' common stock. It may not contain all of the information that may be important to you. This summary is qualified by reference to Georgia law, including the Georgia Business Corporation Code (the "GBCC"), and the Articles of Incorporation and Bylaws, each of which is filed with the Securities and Exchange Commission (the "SEC") as an exhibit to Atlanticus' Annual Report on Form 10-K. You should read our Articles of Incorporation, Bylaws, and the applicable provisions of the GBCC for additional information.

Capitalization

The authorized capital stock of Atlanticus consists of 150,000,000 shares of common stock, and 10,000,000 shares of preferred stock, no par value per share (the "preferred stock").

Common Stock

Voting Rights. Holders of Atlanticus common stock are entitled to one vote per share, and, in general, a majority of issued and outstanding shares of Atlanticus common stock is sufficient to authorize action upon all matters submitted for a vote. Directors are elected by a plurality of the votes cast at the annual meeting of the shareholders, and shareholders of Atlanticus do not have the right to cumulate their votes in the election of directors. This means that the holders of a majority of the votes represented by the common stock can elect all of the directors then standing for election.

Dividends. The holders of outstanding shares of Atlanticus common stock are entitled to receive dividends and other distributions legally available therefor in amounts as the Atlanticus Board of Directors may determine from time to time, subject to preferential dividend rights of any outstanding preferred stock, including the Series A Convertible Preferred Stock and the Series B Preferred Stock. All shares of Atlanticus common stock are entitled to participate ratably with respect to dividends or other distributions.

Preemptive Rights. Holders of Atlanticus common stock do not have any preemptive, subscription, redemption or conversion rights and are not entitled to the benefit of any sinking fund.

Liquidation. In the event of liquidation, dissolution or winding up of Atlanticus, the holders of Atlanticus common stock are entitled to receive, after payment or provision for payment of all its debts and liabilities, all of the assets of Atlanticus available for distribution, subject to the prior rights of preferred stock, including the Series A Convertible Preferred Stock and the Series B Preferred Stock, outstanding.

Shareholder Action by Written Consent. Any action which may be taken at a meeting of the shareholders may be taken without a meeting if a written approval and consent, setting forth the action authorized, shall be signed by persons who would be entitled to vote at a meeting shares having voting power to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shareholders entitled to vote were present and voted.

Transfer Agent and Registrar. The transfer agent and registrar for Atlanticus common stock is Equiniti Trust Company, LLC.

Preferred Stock

Series A Convertible Preferred Stock

On December 27, 2019, Atlanticus issued 400,000 shares of Series A Convertible Preferred Stock (the "Series A Convertible Preferred Stock"). The Articles of Amendment Establishing Cumulative Convertible Preferred Stock, Series A (the "Series A Articles of Amendment") establishes the rights, preferences, privileges, qualifications, restrictions and limitations relating to the Series A Convertible Preferred Stock. Below is a summary of the terms of the Series A Convertible Preferred Stock.

Liquidation Preference. The Series A Convertible Preferred Stock ranks (i) senior in liquidation to all existing and future classes of common stock and (ii) pari passu or senior to all existing and future classes of preferred stock. The per share liquidation preference of the Series A Convertible Preferred Stock is $100.

Dividends. The holders of the Series A Convertible Preferred Stock are entitled to receive, out of funds legally available therefor, dividends at the rate of 6.0% per year, cumulative, non-compounding, on the liquidation preference of $100 per share. The dividends on the Series A Convertible Preferred Stock are payable in preference and priority to any payment of any cash dividend on common stock.

Redemption. The Series A Convertible Preferred Stock is perpetual and has no maturity date. Atlanticus may, at its option, redeem the shares of Series A Convertible Preferred Stock on or after January 1, 2025 at a redemption price equal to $100 per share, plus any accumulated and unpaid dividends. At the request of a majority of the holders of the Series A Convertible Preferred Stock, Atlanticus will offer to redeem all of the Series A Convertible Preferred Stock at a redemption price equal to $100 per share, plus any accumulated and unpaid dividends, at the option of the holders thereof, on or after January 1, 2024.

Conversion. Upon the election by the holders of a majority of the Series A Convertible Preferred Stock, each share of the Series A Convertible Preferred Stock is convertible into the number of shares of Atlanticus common stock as is determined by dividing (i) the sum of (a) $100 and (b) any accumulated and unpaid dividends on such share by (ii) an initial conversion price equal to $10 per share, subject to certain adjustment in certain circumstances to prevent dilution.

Anti-Dilution Rights. If Atlanticus issues shares of common stock or securities convertible or exercisable for common stock, subject to certain exceptions, for consideration per share less than the applicable conversion price of the Series A Convertible Preferred Stock in effect immediately prior to such issuance, the conversion price of the Series A Convertible Preferred Stock will be reduced pursuant to a weighted average formula provided in the Series A Articles of Amendment.

Voting Rights. Except for approval of adverse changes to the terms of the Series A Convertible Preferred Stock, approval of sale of all or substantially all of Atlanticus' assets, and triggering redemption or conversion of the Series A Convertible Preferred Stock, the holders of the Series A Convertible Preferred Stock have no voting rights except as required by law.

The terms of the Series A Convertible Preferred Stock are more fully described in the Series A Articles of Amendment. A copy of the Series A Articles of Amendment is included as Exhibit B to Exhibit 3.1 to Atlanticus' Quarterly Report on Form 10-Q filed with the SEC on November 8, 2022.

Series B Preferred Stock

For a description of the Series B Preferred Stock, see "Description of Series B Preferred Stock" below.

Additional Authorized Preferred Stock

Atlanticus is authorized to issue preferred stock in the future. Atlanticus' Board of Directors is authorized to determine the following terms for each additional series of preferred stock:

- the offering price at which Atlanticus will issue the preferred stock;
- whether that series of preferred stock will be entitled to receive dividends;
- the dividend rate (or method for determining the rate);
- whether dividends on that series of preferred stock will be cumulative, noncumulative or partially cumulative;
- the liquidation preference of that series of preferred stock, if any;
- the conversion or exchange provisions applicable to that series of preferred stock, if any;
- the redemption or sinking fund provisions applicable to that series of preferred stock, if any;
- the voting rights of that series of preferred stock, if any; and
- the terms of any other preferences, rights, qualifications, limitations or restrictions, if any, applicable to that series of preferred stock.

Purposes and Effects of Certain Provisions of Atlanticus' Articles of Incorporation and Bylaws

Atlanticus' Articles of Incorporation and Bylaws contain certain provisions that could make the acquisition of Atlanticus more difficult by means of a tender or exchange offer, a proxy contest or otherwise.

Special Meetings. Special meetings of shareholders may be called by shareholders only upon the written demand of holders of at least 25% of Atlanticus' outstanding capital stock.

Preferred Stock. As discussed above, Atlanticus' Board of Directors is authorized pursuant to Atlanticus' Articles of Incorporation to establish one or more additional series of preferred stock without shareholder approval. The ability of Atlanticus' Board of Directors to issue one or more series of preferred stock provides Atlanticus with flexibility in structuring possible future financings and acquisitions and in meeting other corporate needs which might arise. The authorized shares of preferred stock, as well as shares of common stock, will be available for issuance without further action by Atlanticus' shareholders, unless that action is required by applicable law or the rules of any stock exchange on which Atlanticus' securities may be listed or traded.

GBCC Anti-Takeover Provisions

The GBCC restricts certain business combinations with "interested shareholders" and contains fair price requirements applicable to certain mergers with "interested shareholders" that are summarized below. The restrictions imposed by these statutes do not apply to a corporation unless it elects to be governed by these statutes. Atlanticus has not elected to be covered by such restrictions but may do so in the future.

The Georgia business combination statute (the "Business Combination Statute") regulates business combinations such as mergers, consolidations, share exchanges and asset purchases where the acquired business has at least 100 shareholders residing in Georgia and has its principal office in Georgia, and where the acquiror became an "interested shareholder" of the corporation, unless either (i) the transaction resulting in such acquiror becoming an "interested shareholder" or the business combination received the approval of the corporation's board of directors prior to the date on which the acquiror became an "interested shareholder," or (ii) the acquiror became the owner of at least 90% of the outstanding voting stock of the corporation (excluding shares held by directors, officers and affiliates of the corporation and shares held by certain other persons) in the same transaction in which the acquiror became an "interested shareholder." For purposes of the Business Combination Statute, an "interested shareholder" generally is any person who directly or indirectly, alone or in concert with others, beneficially owns or controls 10% or more of the voting power of the outstanding voting shares of the corporation. The Business Combination Statute prohibits business combinations with an unapproved "interested shareholder" for a period of five years after the date on which such person became an "interested shareholder." The Business Combination Statute is broad in its scope and is designed to inhibit unfriendly acquisitions.

The Georgia fair price statute (the "Fair Price Statute") prohibits certain business combinations between a Georgia business corporation and an "interested shareholder" unless (i) certain "fair price" criteria are satisfied, (ii) the business combination is unanimously approved by the continuing directors, (iii) the business combination is recommended by at least two-thirds of the continuing directors and approved by a majority of the votes entitled to be cast by holders of voting shares, other than voting shares beneficially owned by the "interested shareholder," or (iv) the "interested shareholder" has been such for at least three years and has not increased this ownership position in such three-year period by more than 1% in any twelve-month period. The Fair Price Statute is designed to inhibit unfriendly acquisitions that do not satisfy the specified "fair price" requirements.

DESCRIPTION OF SERIES B PREFERRED STOCK

The following summary highlights selected information regarding Atlanticus' Series B Preferred Stock. It may not contain all of the information that may be important to you. This summary is qualified by reference to Georgia law, including the GBCC, and the Articles of Incorporation, including the Amended and Restated Articles of Amendment Establishing the Series B Preferred Stock (the "Series B Articles of Amendment"), and Bylaws, each of which is filed with the SEC as an exhibit to Atlanticus' Annual Report on Form 10-K. You should read our Articles of Incorporation, Bylaws, and the applicable provisions of the GBCC for additional information. For a description of the common stock into which the Series B Preferred Stock is convertible, see "Description of Common Stock" above.

General

Atlanticus' current authorized capital stock consists of 150,000,000 shares of common stock, no par value per share, and 10,000,000 shares of preferred stock, no par value per share.

Our Board of Directors may fix the rights, preferences, privileges and restrictions of additional shares of preferred stock in one or more series and authorize their issuance. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series. See "Description of Common Stock-Capitalization-Preferred Stock-Additional Authorized Preferred Stock" for additional information.

The Series B Articles of Amendment set forth the terms of the Series B Preferred Stock. A copy of the Series B Articles of Amendment is included as Exhibit C to Exhibit 3.1 to Atlanticus' Quarterly Report on Form 10-Q filed with the SEC on November 8, 2022.

The registrar, transfer agent and distributions disbursing agent for the Series B Preferred Stock is Equiniti Trust Company, LLC.

The Series B Preferred Stock rank, as to dividend rights and rights upon liquidation, dissolution or winding-up:

(1) Senior to all classes or series of our common stock and to all other equity securities issued by us expressly designated as ranking junior to the Series B Preferred Stock;

(2) On parity with any future class or series of our equity securities expressly designated as ranking on parity with the Series B Preferred Stock;

(3) Junior to the Series A Convertible Preferred Stock and any future equity securities issued by us with terms specifically providing that those equity securities rank senior to the Series B Preferred Stock with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up; and

(4) Effectively junior to all our existing and future indebtedness (including indebtedness convertible into our common stock or preferred stock) and to the indebtedness and other liabilities of (as well as any preferred equity interests held by others in) our existing or future subsidiaries.

Dividends

Holders of Series B Preferred Stock are entitled to receive, when and as declared by our Board of Directors, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of $1.90625 per share each year, which is equivalent to 7.625% of the $25.00 liquidation preference per share.

Dividends on the Series B Preferred Stock accumulate and are cumulative from, and including, the date of original issue by us of the Series B Preferred Stock. Dividends are payable quarterly in arrears on or about the 15th day of March, June, September, and December; provided that if any dividend payment date is not a business day, as defined in the Series B Articles of Amendment, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day and no interest, additional dividends or other sums will accumulate on the amounts so payable for the period from and after that dividend payment date to that next succeeding business day. We refer to each such date as a Dividend Payment Date.

Any dividend, including any dividend payable on the Series B Preferred Stock for any partial dividend period, is computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends are payable to holders of record of Series B Preferred Stock as they appear in the transfer agent's records at the close of business on the applicable record date, which will be the date that our Board of Directors designates for the payment of a dividend that is not more than 30 nor less than 10 days prior to the Dividend Payment Date, which we refer to as a Dividend Payment Record Date.

Our Board of Directors will not authorize, pay or set apart for payment by us any dividend on the Series B Preferred Stock at any time that:

- the terms and provisions of any of our agreements, including any agreement relating to our indebtedness, prohibits such authorization, payment or setting apart for payment;
- the terms and provisions of any of our agreements, including any agreement relating to our indebtedness, provides that such authorization, payment or setting apart for payment thereof would constitute a breach of, or a default under, such agreement; or
- the law restricts or prohibits the authorization or payment.

Notwithstanding the foregoing, dividends on the Series B Preferred Stock accumulate whether or not:

- the terms and provisions of any of our agreements relating to our indebtedness prohibit such authorization, payment or setting apart for payment;
- we have earnings;
- there are funds legally available for the payment of the dividends; and
- the dividends are authorized.

No interest, or sums in lieu of interest, are payable in respect of any dividend payment or payments on the Series B Preferred Stock, which may be in arrears, and holders of the Series B Preferred Stock are not entitled to any dividends in excess of the full cumulative dividends described above. Any dividend payment made on the Series B Preferred Stock shall first be credited against the earliest accumulated but unpaid dividends due with respect to those shares.

We will not pay or declare and set apart for payment any dividends (other than a dividend paid in common stock or other stock ranking junior to the Series B Preferred Stock with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up) or declare or make any distribution of cash or other property on common stock or other stock that ranks junior to or on parity with the Series B Preferred Stock with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up or redeem or otherwise acquire common stock or other stock that ranks junior to or on parity with the Series B Preferred Stock with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up (except (i) by conversion into or exchange for common stock or other stock ranking junior to the Series B Preferred Stock with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up and (ii) for a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series B Preferred Stock and any other stock that ranks on parity with the Series B Preferred Stock with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up), unless we also have either paid or declared and set apart for payment full cumulative dividends on the Series B Preferred Stock for all past dividend periods.

Notwithstanding the foregoing, if we do not either pay or declare and set apart for payment full cumulative dividends on the Series B Preferred Stock and all stock that ranks on parity with the Series B Preferred Stock with respect to dividends, the amount which we have declared will be allocated pro rata to the holders of Series B Preferred Stock and to each equally ranked class or series of stock, so that the amount declared for each share of Series B Preferred Stock and for each share of each equally ranked class or series of stock is proportionate to the accrued and unpaid dividends on those shares. Any dividend payment made on the Series B Preferred Stock will first be credited against the earliest accrued and unpaid dividend.

Liquidation Preference

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of shares of Series B Preferred Stock are entitled to be paid out of our assets legally available for distribution to our shareholders a liquidation preference of $25.00 per share, plus an amount equal to any accumulated and unpaid dividends to the date of payment (whether or not declared), before any distribution or payment may be made to holders of shares of common stock or any other class or series of our equity stock ranking, as to liquidation rights, junior to the Series B Preferred Stock.

If, upon our voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the full amount of the liquidating distributions on all outstanding shares of Series B Preferred Stock and the corresponding amounts payable on all shares of each other class or series of capital stock ranking, as to liquidation rights, on a parity with the Series B Preferred Stock, then the holders of the Series B Preferred Stock and each such other class or series of capital stock ranking, as to liquidation rights, on a parity with the Series B Preferred Stock will share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled. Holders of Series B Preferred Stock are entitled to written notice of any liquidation no fewer than 30 days and no more than 60 days prior to the payment date. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Stock will have no right or claim to any of our remaining assets.

Our consolidation or merger with or into any other entity or the sale, lease, transfer or conveyance of all or substantially all of our property or business will not be deemed to constitute our liquidation, dissolution or winding up. The Series B Preferred Stock rank senior to the common stock as to priority for receiving liquidating distributions and on a parity with any existing and future equity securities which, by their terms, rank on a parity with the Series B Preferred Stock.

Optional Redemption

The Series B Preferred Stock is not redeemable prior to June 11, 2026, except under the circumstances described below. On or after June 11, 2026, the Series B Preferred Stock may be redeemed at our option, in whole or in part, from time to time, at a redemption price of $25.00 per share, plus all dividends accumulated and unpaid (whether or not declared) on the Series B Preferred Stock up to, but not including, the date of such redemption, upon the giving of notice, as provided below.

If fewer than all of the outstanding shares of Series B Preferred Stock are to be redeemed, the shares to be redeemed will be determined pro rata or by lot.

In the event we elect to redeem Series B Preferred Stock, notice of redemption will be mailed to each holder of record of Series B Preferred Stock called for redemption at such holder's address as it appear on our stock transfer records, not less than 30 nor more than 60 days prior to the date fixed for redemption. The notice will notify the holder of the election to redeem the shares and will state at least the following:

- the date fixed for redemption thereof, which we refer to as the Redemption Date;
- the redemption price;
- the number of shares of Series B Preferred Stock to be redeemed (and, if fewer than all the shares are to be redeemed, the number of shares to be redeemed from such holder);
- the place(s) where holders may surrender certificates, if any, evidencing the Series B Preferred Stock for payment; and
- that dividends on the shares of Series B Preferred Stock will cease to accumulate on the day prior to the Redemption Date.

On or after the Redemption Date, each holder of Series B Preferred Stock to be redeemed that holds a certificate other than through The Depository Trust Company book entry described below must present and surrender the certificates evidencing the shares of Series B Preferred Stock at the place designated in the notice of redemption and shall be entitled to the redemption price and any accumulated and unpaid dividends payable upon the redemption following the surrender.

From and after the Redemption Date (unless we default in payment of the redemption price):

- all dividends on the shares designated for redemption in the notice will cease to accumulate;
- all rights of the holders of the shares, except the right to receive the redemption price thereof (including all accumulated and unpaid dividends up to the date prior to the Redemption Date), will cease and terminate; and
- the shares will not be deemed to be outstanding for any purpose whatsoever.

Unless full cumulative dividends on all shares of Series B Preferred Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past dividend periods, no shares of Series B Preferred Stock shall be redeemed unless all outstanding shares of Series B Preferred Stock are simultaneously redeemed and we shall not purchase or otherwise acquire directly or indirectly any shares of Series B Preferred Stock (except by exchanging it for our capital stock ranking junior to the Series B Preferred Stock as to dividends and upon liquidation); provided, however, that the foregoing shall not prevent the purchase or acquisition by us of shares of Series B Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Series B Preferred Stock.

Special Optional Redemption

During any period of time (whether before or after June 11, 2026) that both (i) the Series B Preferred Stock are no longer listed on the NASDAQ Stock Market LLC ("NASDAQ"), the New York Stock Exchange (the "NYSE") or the NYSE American LLC (the "NYSE AMER"), or listed or quoted on an exchange or quotation system that is a successor to Nasdaq, the NYSE or the NYSE AMER, and (ii) we are not subject to the reporting requirements of the Exchange Act, but any Series B Preferred Stock is still outstanding (which we refer to collectively as a "Delisting Event"), we may, at our option, redeem the Series B Preferred Stock, in whole or in part and within 90 days after the date of the Delisting Event, by paying $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the date of redemption.

In addition, upon the occurrence of a Change of Control (defined below), we may, at our option, redeem the Series B Preferred Stock, in whole or in part and within 120 days after the first date on which such Change of Control occurred, by paying $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the date of redemption (other than any dividend with a record date before the applicable redemption date and a payment date after the applicable redemption date, which will be paid on the payment date notwithstanding prior redemption of such shares).

If, prior to the Delisting Event Conversion Date or Change of Control Conversion Date (each as defined below), as applicable, we have provided or provide notice of redemption with respect to the Series B Preferred Stock (whether pursuant to our optional redemption right or our special optional redemption right described above), the holders of Series B Preferred Stock will not be permitted to exercise the conversion right described below under "-Conversion Rights" in respect of their shares called for redemption.

We will mail to you, if you are a record holder of the Series B Preferred Stock, a notice of redemption, no fewer than 30 days nor more than 60 days before the redemption date. No failure to give the notice or any defect in the notice or in the mailing of the notice will affect the validity of the proceedings for the redemption of any shares of our Series B Preferred Stock except as to a holder to whom notice was defective or not given. Each notice will state the following:

- the redemption date;
- the redemption price;
- the number of shares of Series B Preferred Stock to be redeemed;
- the place(s) where holders may surrender certificates, if any, evidencing the Series B Preferred Stock for payment;
- that the Series B Preferred Stock is being redeemed pursuant to our special optional redemption right in connection with the occurrence of a Delisting Event or Change of Control, as applicable, and a brief description of the transaction or transactions or circumstances constituting such Delisting Event or Change of Control, as applicable;
- that the holders will not be able to convert such shares of Series B Preferred Stock to which the notice relates in connection with the Delisting Event or Change of Control, as applicable, and each share of Series B Preferred Stock tendered for conversion that is selected, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, for redemption will be redeemed on the related date of redemption instead of converted on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable; and
- that dividends on the Series B Preferred Stock to be redeemed will cease to accumulate on the day prior to the redemption date.

A "Change of Control" is when, after the original issuance of the Series B Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person (including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act) of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of Atlanticus entitling that person to exercise more than 50% of the total voting power of all shares of Atlanticus entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), provided that with respect to David G. Hanna, Frank J. Hanna, III, their respective spouses or entities controlled by them, their respective spouses or established for the benefit of them, their descendants, their spouses or charities, or Atlanticus' employee benefit plans, references to 50% of the total voting power of all shares of Atlanticus entitled to vote generally in elections of directors shall be deemed references to 80%; and
- immediately following the closing of any transaction referred to in the bullet point above, neither we nor any acquiring or surviving entity (or if, in connection with such transaction shares of our common stock are converted into or exchanged for (in whole or in part) common equity securities of another entity, such other entity) has a class of common securities (or ADRs representing such securities) listed on Nasdaq, the NYSE or the NYSE AMER, or listed or quoted on an exchange or quotation system that is a successor to Nasdaq, the NYSE or the NYSE AMER.

If we redeem fewer than all of the outstanding shares of Series B Preferred Stock, the notice of redemption mailed to each record holder of Series B Preferred Stock will also specify the number of shares of Series B Preferred Stock that we will redeem from such record holder. In this case, we will determine the number of shares of Series B Preferred Stock to be redeemed on a pro rata basis or by lot.

If we have given a notice of redemption and have irrevocably set aside sufficient funds for the redemption for the benefit of the holders of the shares of Series B Preferred Stock called for redemption, then from and after the redemption date, those shares of Series B Preferred Stock will be treated as no longer being outstanding, no further dividends will accumulate on the Series B Preferred Stock and all other rights of the holders of those shares of Series B Preferred Stock will terminate. If any redemption date is not a business day, then the redemption price and accumulated and unpaid dividends, if any, payable upon redemption may be paid on the next business day and no interest, additional dividends or other sums will accumulate on the amount payable for the period from and after that redemption date to that next business day. The holders of those shares of Series B Preferred Stock will retain their right to receive the redemption price for their shares of Series B Preferred Stock (including any accumulated and unpaid dividends to but excluding the redemption date).

The holders of Series B Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable with respect to the Series B Preferred Stock on the corresponding payment date notwithstanding the redemption of the Series B Preferred Stock between such record date and the corresponding payment date or our default in the payment of the dividend due. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on Series B Preferred Stock to be redeemed.

Unless full cumulative dividends on all shares of Series B Preferred Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past dividend periods, no shares of Series B Preferred Stock shall be redeemed unless all outstanding shares of Series B Preferred Stock are simultaneously redeemed and we shall not purchase or otherwise acquire directly or indirectly any shares of Series B Preferred Stock (except by exchanging it for our capital stock ranking junior to the Series B Preferred Stock as to dividends and upon liquidation); provided, however, that the foregoing shall not prevent the purchase or acquisition by us of shares of Series B Preferred Stock pursuant to a purchase or exchange offer made on the same terms to holders of all shares of Series B Preferred Stock.

Conversion Rights

Upon the occurrence of a Delisting Event or a Change of Control, as applicable, each holder of Series B Preferred Stock will have the right (unless, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we have provided or provide notice of our election to redeem the Series B Preferred Stock as described above under "-Optional Redemption" or "-Special Optional Redemption") to convert some or all of the shares of Series B Preferred Stock held by such holder (the "Delisting Event Conversion Right" or "Change of Control Conversion Right," as applicable) on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, into a number of shares of our common stock (or equivalent value of alternative consideration) per share of Series B Preferred Stock, or the "Common Stock Conversion Consideration," equal to the lesser of:

- the quotient obtained by dividing (1) the sum of the $25.00 per share liquidation preference plus the amount of any accumulated and unpaid dividends to, but not including, the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable (unless the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, is after a record date for a Series B Preferred Stock dividend payment and prior to the corresponding Series B Preferred Stock dividend payment date, in which case no additional amount for such accumulated and then remaining unpaid dividend will be included in this sum) by (2) the Common Stock Price (such quotient, the "Conversion Rate"); and

- 1.29702 (i.e., the Share Cap), subject to certain adjustments described below.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of shares of our common stock to existing holders of common stock), subdivisions or combinations (in each case, a "Share Split") with respect to our common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our common stock that is equivalent to the product obtained by multiplying (1) the Share Cap in effect immediately prior to such Share Split by (2) a fraction, the numerator of which is the number of shares of our common stock outstanding after giving effect to such Share Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Share Split.

In the case of a Delisting Event or Change of Control pursuant to, or in connection with, which our common stock will be converted into cash, securities or other property or assets (including any combination thereof) (the "Alternative Form Consideration"), a holder of Series B Preferred Stock will receive upon conversion of such Series B Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Delisting Event or Change of Control, as applicable, had such holder held a number of shares of our common stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Delisting Event or Change of Control, as applicable (the "Alternative Conversion Consideration," and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Delisting Event or Change of Control, as applicable, is referred to as the "Conversion Consideration").

If the holders of our common stock have the opportunity to elect the form of consideration to be received in the Delisting Event or Change of Control, the Conversion Consideration that the holders of Series B Preferred Stock will receive will be the form and proportion of the aggregate consideration elected by the holders of our common stock who participate in the determination (based on the weighted average of elections) and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in, or in connection with, the Delisting Event or Change of Control, as applicable.

We will not issue fractional shares of common stock upon the conversion of the Series B Preferred Stock. In the event that the conversion would result in the issuance of fractional shares of common stock, we will pay the holders of Series B Preferred Stock the cash value of such fractional shares in lieu of such fractional shares.

Within 15 days following the occurrence of a Delisting Event or Change of Control, as applicable, we will provide to holders of Series B Preferred Stock a notice of occurrence of the Delisting Event or Change of Control, as applicable, that describes the resulting Delisting Event Conversion Right or Change of Control Conversion Right, as applicable. This notice will state the following:

- the events constituting the Delisting Event or Change of Control, as applicable;
- the date of the Delisting Event or Change of Control, as applicable;
- the last date on which the holders of Series B Preferred Stock may exercise their Delisting Event Conversion Right or Change of Control Conversion Right, as applicable;
- the method and period for calculating the Common Stock Price;
- the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable;
- that if, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we have provided or provide notice of our election to redeem all or any portion of the Series B Preferred Stock, holders will not be able to convert the Series B Preferred Stock and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable;
- if applicable, the type and amount of Conversion Consideration entitled to be received per share of Series B Preferred Stock;
- the name and address of the paying agent and the conversion agent;
- the procedures that the holders of Series B Preferred Stock must follow to exercise the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable; and
- the last date on which holders of Series B Preferred Stock may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

We will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on our website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series B Preferred Stock.

To exercise the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, each holder of Series B Preferred Stock will be required to deliver, on or before the close of business on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, the certificates, if any, evidencing the shares of Series B Preferred Stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to our transfer agent, or, in the case of shares of Series B Preferred Stock held in global form, comply with the applicable procedures of The Depository Trust Company. The conversion notice must state:

- the "Delisting Event Conversion Date" or "Change of Control Conversion Date", as applicable, which will be a business day fixed by our Board of Directors that is not fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of the Series B Preferred Stock; and

- the number of shares of Series B Preferred Stock to be converted.

The "Common Stock Price" for any Change of Control will be: (1) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of common stock; and (2) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing prices for our common stock on the principal U.S. securities exchange on which our common stock is then traded (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if our common stock is not then listed for trading on a U.S. securities exchange.

The "Common Stock Price" for any Delisting Event will be the average of the closing price per share of our common stock on the 10 consecutive trading days immediately preceding, but not including, the effective date of the Delisting Event.

Holders of the Series B Preferred Stock may withdraw any notice of exercise of a Delisting Event Conversion Right or Change of Control Conversion Right, as applicable (in whole or in part), by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable. The notice of withdrawal must state:

- the number of withdrawn shares of Series B Preferred Stock;

- if certificated shares of Series B Preferred Stock have been issued, the receipt or certificate numbers of the withdrawn shares of Series B Preferred Stock; and

- the number of shares of Series B Preferred Stock, if any, which remain subject to the conversion notice.

Notwithstanding the foregoing, if the shares of Series B Preferred Stock are held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of The Depository Trust Company.

Shares of Series B Preferred Stock as to which the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, unless prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we have provided or provide notice of our election to redeem such shares of Series B Preferred Stock, whether pursuant to our optional redemption right or our special optional redemption right. If we elect to redeem shares of Series B Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, such shares of Series B Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date $25.00 per share, plus any accumulated and unpaid dividends thereon to, but not including, the redemption date. See "-Optional Redemption" and "-Special Optional Redemption."

We will deliver the applicable Conversion Consideration no later than the third business day following the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable.

In connection with the exercise of any Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, we will comply with all applicable federal and state securities laws and stock exchange rules in connection with any conversion of Series B Preferred Stock into our common stock.

The Delisting Event Conversion Right or Change of Control Conversion Right, as applicable, may make it more difficult for a third party to acquire us or discourage a party from acquiring us.

The Series B Preferred Stock are not convertible into or exchangeable for any other securities or property, except as provided above.

Limited Voting Rights

Except as described below, holders of Series B Preferred Stock generally have no voting rights. In any matter in which the Series B Preferred Stock may vote (as expressly provided herein, or as may be required by law), each share of Series B Preferred Stock shall be entitled to one vote.

If dividends on the Series B Preferred Stock are in arrears, whether or not declared, for six or more quarterly periods, whether or not these quarterly periods are consecutive, holders of Series B Preferred Stock and holders of all other classes or series of parity preferred stock with which the holders of Series B Preferred Stock are entitled to vote together as a single class, and are exercisable, voting together as a single class, will be entitled to vote, at a special meeting called by the holders of record of at least 10% of any series of preferred stock as to which dividends are so in arrears or at the next annual meeting of shareholders, for the election of two additional directors to serve on our Board of Directors until all dividend arrearages have been paid. If and when all accumulated dividends on the Series B Preferred Stock for all past dividend periods shall have been paid in full, holders of shares of Series B Preferred Stock shall be divested of the voting rights set forth above (subject to re-vesting in the event of each and every preferred dividend default) and, unless outstanding shares of parity preferred stock remain entitled to vote in the election of preferred stock directors, the term of office of such preferred stock directors so elected will terminate and the number of directors will be reduced accordingly.

In addition, so long as any shares of Series B Preferred Stock remain outstanding, we will not, without the consent or the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series B Preferred Stock and each other class or series of parity preferred stock with which the holders of Series B Preferred Stock are entitled to vote together as a single class on such matter (voting together as a single class):

- authorize, create or issue, or increase the number of authorized or issued number of shares of, any class or series of stock ranking senior to the Series B Preferred Stock with respect to payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up, or reclassify any of our authorized capital stock into any such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or

- amend, alter or repeal the provisions of our Articles of Incorporation or the Series B Articles of Amendment, including the terms of the Series B Preferred Stock, whether by merger, consolidation, transfer or conveyance of all or substantially all of our assets or otherwise, so as to materially and adversely affect the rights, preferences, privileges or voting powers of the Series B Preferred Stock,

except that, with respect to the occurrence of any of the events described in the second bullet point immediately above, so long as the Series B Preferred Stock remains outstanding with the terms of the Series B Preferred Stock materially unchanged, taking into account that, upon the occurrence of an event described in the second bullet point above, we may not be the surviving entity and the surviving entity may not be a corporation, the occurrence of such event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of the Series B Preferred Stock, and in such case such holders shall not have any voting rights with respect to the events described in the second bullet point immediately above. Furthermore, if holders of shares of the Series B Preferred Stock receive the greater of the full trading price of the Series B Preferred Stock on the date of an event described in the second bullet point immediately above or the $25.00 per share of the Series B Preferred Stock liquidation preference plus all accrued and unpaid dividends thereon pursuant to the occurrence of any of the events described in the second bullet point immediately above, then such holders shall not have any voting rights with respect to the events described in the second bullet point immediately above. If any event described in the second bullet point above would materially and adversely affect the rights, preferences, privileges or voting powers of the Series B Preferred Stock disproportionately relative to any other class or series of parity preferred stock, the affirmative vote of the holders of at least two-thirds of the outstanding shares of the Series B Preferred Stock, voting as a separate class, will also be required.

The following actions are not deemed to materially and adversely affect the rights, preferences, powers or privileges of the Series B Preferred Stock:

- any increase in the amount of our authorized common stock or preferred stock or the creation or issuance of equity securities of any class or series ranking, as to dividends or liquidation preference, on a parity with, or junior to, the Series B Preferred Stock; or

- the amendment, alteration or repeal or change of any provision of our Articles of Incorporation, including the Series B Articles of Amendment, as a result of a merger, consolidation, reorganization or other business combination, if the Series B Preferred Stock (or shares into which the Series B Preferred Stock have been converted in any successor entity to us) remain outstanding with the terms thereof materially unchanged.

No Maturity, Sinking Fund or Mandatory Redemption

The Series B Preferred Stock has no maturity date and we are not required to redeem the Series B Preferred Stock at any time. Accordingly, the Series B Preferred Stock will remain outstanding indefinitely, unless we decide, at our option, to exercise our redemption right or, under circumstances where the holders of Series B Preferred Stock have a conversion right, such holders convert the Series B Preferred Stock into our common stock. The Series B Preferred Stock is not subject to any sinking fund.

Listing

The Series B Preferred Stock is listed on Nasdaq under the symbol “ATLCP.”

DESCRIPTION OF THE 2026 NOTES

Atlanticus issued $150 million in aggregate principal amount of the 2026 Notes (the "Initial Notes") under an indenture dated as of November 22, 2021 (the "base indenture") between Atlanticus and U.S. Bank Trust Company, National Association, as successor trustee (the "trustee"), as supplemented by the first supplemental indenture (the "first supplemental indenture").

On August 10, 2022, Atlanticus entered into an At Market Issuance Sales Agreement with B. Riley Securities, Inc. (the "Sales Agent") providing for the sale by Atlanticus of up to an aggregate offering price of $100,000,000 of the (i) Series B Preferred Stock and (ii) 2026 Notes, from time to time through the Sales Agent, in connection with Atlanticus' Series B Preferred Stock and 2026 Notes "at the market" offering program (the "ATM Program"). In connection with the ATM Program, on January 30, 2024, Atlanticus entered into a second supplemental indenture (the "second supplemental indenture" and, together with the base indenture and the first supplemental indenture, the "2026 Note indenture") to the base indenture, as previously supplemented by the first supplemental indenture. Any 2026 Notes issued pursuant to the ATM Program (the "ATM Notes") will be fungible with the Initial Notes. Unless the context requires otherwise, all references to "we," "us," "our" and "Atlanticus" in this section refer solely to Atlanticus Holdings Corporation, the issuer of the 2026 Notes, and not to any of its subsidiaries.

The following is a summary of the material terms and provisions of the 2026 Notes. The statements below describing the 2026 Notes are in all respects subject to and qualified in their entirety by reference to the applicable provisions of the base indenture, the first supplemental indenture and the second supplemental indenture. Copies of the base indenture, the first supplemental indenture and the form of Initial Notes are included as Exhibit 4.1, Exhibit 4.2 and Exhibit 4.3, respectively, to Atlanticus' Current Report on Form 8-K filed with the SEC on November 22, 2021. Copies of the second supplemental indenture and the form of ATM Notes are included as Exhibit 4.1 and Exhibit 4.2, respectively, to Atlanticus' Current Report on Form 8-K filed with the SEC on February 2, 2024. You should read these documents in their entirety. In addition, the following summary is subject to, and is qualified in its entirety by reference to, the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and to all of those terms made a part of the indenture by reference to the Trust Indenture Act.

General

The 2026 Notes:

- are our general unsecured, senior obligations;
- are initially limited to an aggregate principal amount of $150 million;
- mature on November 30, 2026 unless earlier redeemed or repurchased, and 100% of the aggregate principal amount will be paid at maturity;
- bear cash interest from November 22, 2021 at an annual rate of 6.125%, payable quarterly in arrears on February 1, May 1, August 1, and November 1 of each year, and at maturity;
- are redeemable at our option, in whole or in part, at any time, at the prices and on the terms described under "-Optional Redemption" below;
- are issued in denominations of $25 and integral multiples of $25 in excess thereof;
- do not have a sinking fund;
- are listed on Nasdaq under the symbol "ATLCL"; and
- are represented by two registered 2026 Notes in global form, but in certain limited circumstances may be represented by 2026 Notes in definitive form.

The 2026 Note indenture does not limit the amount of indebtedness that we or our subsidiaries may issue. The 2026 Note indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under "-Covenants-Merger, Consolidation or Sale of Assets" below, the 2026 Note indenture does not contain any covenants or other provisions designed to afford holders of the 2026 Notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

We may from time to time, without the consent of the existing holders, issue additional 2026 Notes having the same terms as to status, redemption or otherwise (except the price to public, the issue date and, if applicable, the initial interest accrual date and the initial interest payment date) that may constitute a single fungible series with the 2026 Notes; provided that if any such additional 2026 Notes are not fungible with the 2026 Notes initially offered hereby for U.S. federal income tax purposes, such additional 2026 Notes will have one or more separate CUSIP numbers. For the avoidance of doubt, such additional 2026 Notes will still constitute a single series with all other 2026 Notes issued under the 2026 Note indenture for all purposes, including waivers, amendments, redemptions and offers to purchase.

Ranking

The 2026 Notes are senior unsecured obligations of Atlanticus, and, upon our liquidation, dissolution or winding up, rank (i) senior to the outstanding shares of our common stock, (ii) senior to any of our future subordinated debt, (iii) pari passu (or equally) with our future unsecured and unsubordinated indebtedness, (iv) effectively subordinated to any existing or future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, and (v) structurally subordinated to all existing and future indebtedness of our subsidiaries, financing vehicles or similar facilities. The 2026 Notes are obligations solely of Atlanticus and are not guaranteed by any of our subsidiaries.

Interest

Interest on the 2026 Notes accrue at an annual rate equal to 6.125% from and including November 22, 2021 to, but excluding, the maturity date or earlier acceleration or redemption and are payable quarterly in arrears on February 1, May 1, August 1, and November 1 of each year, and at maturity, to the holders of record at the close of business on the immediately preceding January 15, April 15, July 15 and October 15 (and November 15, 2026 immediately preceding the maturity date), as applicable (whether or not a business day).

The interest periods are the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be. The amount of interest payable for any interest period, including interest payable for any partial interest period, is computed on the basis of a 360-day year comprised of twelve 30-day months. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment.

“Business day” means, for any place where the principal and interest on the 2026 Notes is payable, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day in which banking institutions in New York are authorized or obligated by law or executive order to close.

Optional Redemption

We may, at our option, redeem the 2026 Notes, in whole at any time or in part from time to time.

On or after November 30, 2023, we may redeem the 2026 Notes at a redemption price equal to the prices set forth below per $25.00 principal amount of 2026 Notes, plus accrued and unpaid interest on such 2026 Notes to, but excluding, the date of redemption:

Period	Amount
On or after November 30, 2023, but prior to November 30, 2024	$ 25.50
On or after November 30, 2024, but prior to November 30, 2025	$ 25.25
On or after November 30, 2025	$ 25.00

At any time prior to November 30, 2023, we may on any one or more occasions redeem all or a part of the 2026 Notes at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the date of redemption.

In each case, the redemption price is subject to the rights of holders of 2026 Notes on the relevant record date to receive interest due on the relevant interest payment date.

"Applicable Premium" means, with respect to any 2026 Note on any redemption date prior to November 30, 2023, the greater of:
(1) 1.0% of the principal amount of the 2026 Note; and
(2) the excess of:
(a) the present value at such redemption date of (i) the redemption price of the 2026 Note at November 30, 2023 (such redemption price being set forth in the table appearing above) plus (ii) all required interest payments due on the 2026 Note through November 30, 2023 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), over
(b) the principal amount of the 2026 Note.

"Treasury Rate" means, as of any redemption date, the yield to maturity as of the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to November 30, 2023; provided, however, that if the period from the redemption date to November 30, 2023, is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used. Atlanticus will (a) calculate the Treasury Rate on the second business day preceding the applicable redemption date and (b) prior to such redemption date file with the trustee an officers' certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail.

In each case, redemption shall be upon notice not fewer than 10 days and not more than 60 days prior to the date fixed for redemption, except that redemption notices may be delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the 2026 Notes or a discharge of the 2026 Note indenture. Notices of redemption may be subject to satisfaction or waiver of one or more conditions precedent specified in the notice of redemption.

If less than all of the 2026 Notes are to be redeemed, the particular 2026 Notes to be redeemed will be selected not more than 45 days prior to the redemption date by the trustee from the outstanding 2026 Notes not previously called for redemption, by lot, or in the trustee's discretion, on a pro-rata basis, provided that the unredeemed portion of the principal amount of any 2026 Notes will be in an authorized denomination (which will not be less than the minimum authorized denomination) for such 2026 Notes. The trustee will promptly notify us in writing of the 2026 Notes selected for redemption and, in the case of any 2026 Notes selected for partial redemption, the principal amount thereof to be redeemed. Beneficial interests in any of the 2026 Notes or portions thereof called for redemption that are registered in the name of The Depository Trust Company or its nominee will be selected by The Depository Trust Company in accordance with The Depository Trust Company's applicable procedures.

The trustee shall have no obligation to calculate any redemption price or any component thereof, and the trustee shall be entitled to receive and conclusively rely upon an officer's certificate delivered by Atlanticus that specifies any redemption price.

Unless we default on the payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the 2026 Notes called for redemption.

We may at any time, and from time to time, purchase 2026 Notes at any price or prices in the open market or otherwise.

Events of Default

Holders of our 2026 Notes will have rights if an Event of Default occurs in respect of the 2026 Notes and is not cured, as described later in this subsection. The term "Event of Default" in respect of the 2026 Notes means any of the following:

- we do not pay interest on any 2026 Note when due, and such default is not cured within 30 days;
- we do not pay the principal of the 2026 Notes when due and payable;
- we breach any covenant or warranty in the 2026 Note indenture with respect to the 2026 Notes and such breach continues for 60 days after we receive a written notice of such breach from the trustee or the holders of at least 25% of the principal amount of the 2026 Notes; and
- certain specified events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 90 days.

The trustee may withhold notice to the holders of the 2026 Notes of any default, except in the payment of principal or interest, if the trustee in good faith determines the withholding of notice to be in the interest of the holders of the 2026 Notes.

Each year, we furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the 2026 Note indenture and the 2026 Notes, or else specifying any default, its status and what actions we are taking or propose to take with respect thereto.

Remedies if an Event of Default Occurs. If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% of the outstanding principal amount of the 2026 Notes may declare the entire principal amount of the 2026 Notes, together with accrued and unpaid interest, if any, to be due and payable immediately by a notice in writing to us and, if notice is given by the holders of the 2026 Notes, the trustee. This is called an "acceleration of maturity." If the Event of Default occurs in relation to our filing for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur, the principal amount of the 2026 Notes, together with accrued and unpaid interest, if any, will automatically, and without any declaration or other action on the part of the trustee or the holders, become immediately due and payable.

At any time after a declaration of acceleration of the 2026 Notes has been made by the trustee or the holders of the 2026 Notes and before any judgment or decree for payment of money due has been obtained by the trustee, the holders of a majority of the outstanding principal of the 2026 Notes, by written notice to us and the trustee, may rescind and annul such declaration and its consequences if (i) we have paid or deposited with the trustee all amounts due and owed with respect to the 2026 Notes (other than principal that has become due solely by reason of such acceleration) and certain other amounts, and (ii) any other Events of Default have been cured or waived.

At our election, the sole remedy with respect to an Event of Default due to our failure to comply with certain reporting requirements under the Trust Indenture Act or under "-Covenants-Reporting" below, for the first 180 calendar days after the occurrence of such Event of Default, consists exclusively of the right to receive additional interest on the 2026 Notes at an annual rate equal to (1) 0.25% for the first 90 calendar days after such default and (2) 0.50% for calendar days 91 through 180 after such default. On the 181st day after such Event of Default, if such violation is not cured or waived, the trustee or the holders of not less than 25% of the outstanding principal amount of the 2026 Notes may declare the principal, together with accrued and unpaid interest, if any, on the 2026 Notes to be due and payable immediately. If we choose to pay such additional interest, we must notify the trustee and the holders of the 2026 Notes by certificate of our election at any time on or before the close of business on the first business day following the Event of Default and we shall deliver to the trustee an officer's certificate (upon which the trustee may rely conclusively) to that effect stating (i) the amount of such additional interest that is payable and (ii) the date on which such additional interest is payable. Unless and until the trustee receives such a certificate, the trustee may assume without inquiry that no such additional interest is payable and the trustee shall not have any duty to verify our calculations of additional interest.

Before a holder of the 2026 Notes is allowed to bypass the trustee and bring a lawsuit or other formal legal action or take other steps to enforce such holder's rights relating to the 2026 Notes, the following must occur:

- such holder must give the trustee written notice that the Event of Default has occurred and remains uncured;
- the holders of at least 25% of the outstanding principal of the 2026 Notes must have made a written request to the trustee to institute proceedings in respect of such Event of Default in its own name as trustee;
- such holder or holders must have offered to the trustee indemnity satisfactory to the trustee against the costs, expenses and liabilities to be incurred in compliance with such request;
- the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- no direction inconsistent with such written request has been given to the trustee during such 60-day period by holders of a majority of the outstanding principal of the 2026 Notes.

No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Book-entry and other indirect holders of the 2026 Notes should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.

Waiver of Defaults. The holders of not less than a majority of the outstanding principal amount of the 2026 Notes may on behalf of the holders of all 2026 Notes waive any past default with respect to the 2026 Notes other than (i) a default in the payment of principal or interest on the 2026 Notes when such payments are due and payable (other than by acceleration as described above), or (ii) in respect of a covenant that cannot per the terms of the 2026 Note indenture be modified or amended without the consent of each holder of 2026 Notes.

Covenants

In addition to standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment, payment of taxes by us and related matters, the following covenants apply to the 2026 Notes.

Merger, Consolidation or Sale of Assets. The 2026 Note indenture provides that we will not merge or consolidate with or into any other person (other than a merger of a wholly owned subsidiary into us), or sell, transfer, lease, convey or otherwise dispose of all or substantially all our property in any one transaction or series of related transactions unless:

- we are the surviving entity or the entity (if other than us) formed by such merger or consolidation or to which such sale, transfer, lease, conveyance or disposition is made will be a corporation or limited liability company organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

- the surviving entity (if other than us) expressly assumes, by supplemental indenture in form reasonably satisfactory to the trustee, executed and delivered to the trustee by such surviving entity, the due and punctual payment of the principal of, and premium, if any, and interest on, all the 2026 Notes outstanding, and the due and punctual performance and observance of all the covenants and conditions of the 2026 Note indenture to be performed by us;

- immediately after giving effect to such transaction or series of related transactions, no default or Event of Default has occurred and is continuing; and

- in the case of a merger where the surviving entity is other than us, we or such surviving entity will deliver, or cause to be delivered, to the trustee, an officers' certificate and an opinion of counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto, comply with this covenant and that all conditions precedent in the 2026 Note indenture relating to such transaction have been complied with; provided that in giving an opinion of counsel, counsel may rely on an officers' certificate as to any matters of fact, including as to the satisfaction of the preceding bullet.

The surviving entity (if other than us) will succeed to, and be substituted for, and may exercise every right and power of, Atlanticus under the 2026 Notes and the 2026 Note indenture, and Atlanticus will automatically and unconditionally be released and discharged from its obligations under the 2026 Notes and the 2026 Note indenture.

Reporting. If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the 2026 Notes and the trustee, for the period of time during which the 2026 Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with GAAP, as applicable.

The posting or delivery of any such information, documents and reports to the trustee is for informational purposes only and the trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including Atlanticus' compliance with any of the covenants under the 2026 Note indenture (as to which the trustee is entitled to rely exclusively on an officer's certificate). The trustee shall have no duty to review or analyze reports, information and documents delivered to it. Additionally, the trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, Atlanticus' compliance with the covenants or with respect to any reports or other documents filed with any protected online data system or participate on any conference calls.

Modification or Waiver

There are three types of changes we can make to the 2026 Note indenture and the 2026 Notes:

Changes Not Requiring Approval. We can make certain changes to the 2026 Note indenture and the 2026 Notes without the specific approval of the holders of the 2026 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 2026 Notes in any material respect and include changes:

- to evidence the succession of another corporation, and the assumption by the successor corporation of our covenants, agreements and obligations under the 2026 Note indenture and the 2026 Notes;

- to add to our covenants such new covenants, restrictions, conditions or provisions for the protection of the holders of the 2026 Notes, and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions, conditions or provisions an Event of Default;

- to modify, eliminate or add to any of the provisions of the 2026 Note indenture to such extent as necessary to effect the qualification of the 2026 Note indenture under the Trust Indenture Act, and to add to the 2026 Note indenture such other provisions as may be expressly permitted by the Trust Indenture Act, excluding however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act;

- to cure any ambiguity or to correct or supplement any provision contained in the 2026 Note indenture or in any supplemental indenture which may be defective or inconsistent with other provisions;

- to secure the 2026 Notes;

- to evidence and provide for the acceptance and appointment of a successor trustee and to add or change any provisions of the 2026 Note indenture as necessary to provide for or facilitate the administration of the trust by more than one trustee; and

- to make provisions in regard to matters or questions arising under the 2026 Note indenture, so long as such other provisions do not materially affect the interest of any other holder of the 2026 Notes.

Changes Requiring Approval of Each Holder. We cannot make certain changes to the 2026 Notes without the specific approval of each holder of the 2026 Notes. The following is a list of those types of changes:

- changing the stated maturity of the principal of, or any installment of interest on, any 2026 Note;

- reducing the principal amount or rate of interest of any 2026 Note;

- changing the place of payment where any 2026 Note or any interest is payable;

- impairing the right to institute suit for the enforcement of any payment on or after the date on which it is due and payable;

- reducing the percentage in principal amount of holders of the 2026 Notes whose consent is needed to modify or amend the 2026 Note indenture; and

- reducing the percentage in principal amount of holders of the 2026 Notes whose consent is needed to waive compliance with certain provisions of the 2026 Note indenture or to waive certain defaults.

Changes Requiring Majority Approval. Any other change to the 2026 Note indenture and the 2026 Notes would require the approval by holders of not less than a majority in aggregate principal amount of the outstanding 2026 Notes.

Consent from holders to any change to the 2026 Note indenture or the 2026 Notes must be given in writing. The consent of the holders of the 2026 Notes is not necessary under the 2026 Note indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Further Details Concerning Voting. The amount of 2026 Notes deemed to be outstanding for the purpose of voting will include all 2026 Notes authenticated and delivered under the 2026 Note indenture as of the date of determination except:

- 2026 Notes cancelled by the trustee or delivered to the trustee for cancellation;
- 2026 Notes for which we have deposited with the trustee or paying agent or set aside in trust money for their payment or redemption and, if money has been set aside for the redemption of the 2026 Notes, notice of such redemption has been duly given pursuant to the 2026 Note indenture to the satisfaction of the trustee;
- 2026 Notes held by Atlanticus, its subsidiaries or any other entity which is an obligor under the 2026 Notes, unless such 2026 Notes have been pledged in good faith and the pledgee is not Atlanticus, an affiliate of Atlanticus or an obligor under the 2026 Notes;
- 2026 Notes which have undergone full defeasance, as described below; and
- 2026 Notes which have been paid or exchanged for other 2026 Notes due to such 2026 Notes loss, destruction or mutilation, with the exception of any such 2026 Notes held by bona fide purchasers who have presented proof to the trustee that such 2026 Notes are valid obligations of Atlanticus.

We generally are entitled to set any day as a record date for the purpose of determining the holders of the 2026 Notes that are entitled to vote or take other action under the 2026 Note indenture, and the trustee generally is entitled to set any day as a record date for the purpose of determining the holders of the 2026 Notes that are entitled to join in the giving or making of any Notice of Default, any declaration of acceleration of maturity of the 2026 Notes, any request to institute proceedings or the reversal of such declaration. If we or the trustee set a record date for a vote or other action to be taken by the holders of the 2026 Notes, that vote or action can only be taken by persons who are holders of the 2026 Notes on the record date and, unless otherwise specified, such vote or action must take place on or prior to the 180th day after the record date. We may change the record date at our option, and we will provide written notice to the trustee and to each holder of the 2026 Notes of any such change of record date.

Defeasance

The following defeasance provisions are applicable to the 2026 Notes. “Defeasance” means that, by irrevocably depositing with the trustee an amount of cash denominated in U.S. dollars and/or U.S. government obligations sufficient to pay all principal and interest, if any, on the 2026 Notes when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the 2026 Notes. In the event of a “covenant defeasance,” upon depositing such funds and satisfying similar conditions discussed below we would be released from certain covenants under the 2026 Note indenture governing the 2026 Notes. The consequences to the holders of the 2026 Notes would be that, while they would no longer benefit from certain covenants under the 2026 Note indenture, and while the 2026 Notes could not be accelerated for any reason, the holders of the 2026 Notes nonetheless would be guaranteed to receive the principal and interest owed to them.

Covenant Defeasance. Under the 2026 Note indenture, we have the option to take the actions described below and be released from some of the restrictive covenants under the 2026 Note indenture under which the 2026 Notes were issued. This is called "covenant defeasance." In that event, holders of the 2026 Notes would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay the 2026 Notes. In order to achieve covenant defeasance, the following must occur:

- we must irrevocably deposit or cause to be deposited with the trustee as trust funds for the benefit of all holders of the 2026 Notes cash, U.S. government obligations or a combination of cash and U.S. government obligations sufficient, without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, investment bank or appraisal firm, to generate enough cash to make interest, principal and any other applicable payments on the 2026 Notes on their various due dates;

- we must deliver to the trustee an opinion of counsel stating that under U.S. federal income tax law, we may make the above deposit and covenant defeasance without causing holders to be taxed on the 2026 Notes differently than if those actions were not taken;

- we must deliver to the trustee an officers' certificate stating that the 2026 Notes, if then listed on any securities exchange, will not be delisted as a result of the deposit;

- no default or Event of Default with respect to the 2026 Notes has occurred and is continuing, and no defaults or Events of Defaults related to bankruptcy, insolvency or reorganization occurs during the 90 days following the deposit;

- the covenant defeasance must not cause the trustee to have a conflicting interest within the meaning of the Trust Indenture Act;

- the covenant defeasance must not result in a breach or violation of, or constitute a default under, the 2026 Note indenture or any other material agreements or instruments to which we are a party;

- the covenant defeasance must not result in the trust arising from the deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), unless such trust will be registered under the Investment Company Act or exempt from registration thereunder; and

- we must deliver to the trustee an officers' certificate and an opinion of counsel stating that all conditions precedent with respect to the covenant defeasance have been complied with.

Full Defeasance. If there is a change in U.S. federal income tax law, we can legally release ourselves from all payment and other obligations on the 2026 Notes if we take the following actions below:

- we must irrevocably deposit or cause to be deposited with the trustee as trust funds for the benefit of all holders of the 2026 Notes cash, U.S. government obligations or a combination of cash and U.S. government obligations sufficient, without reinvestment, in the opinion of a nationally recognized firm, of independent public accountants, investment bank or appraisal firm, to generate enough cash to make interest, principal and any other applicable payments on the 2026 Notes on their various due dates;

- we must deliver to the trustee an opinion of counsel confirming that there has been a change to the current U.S. federal income tax law or an Internal Revenue Service ruling that allows us to make the above deposit without causing holders to be taxed on the 2026 Notes any differently than if we did not make the deposit;

- we must deliver to the trustee an officers' certificate stating that the 2026 Notes, if then listed on any securities exchange, will not be delisted as a result of the deposit;

- no default or Event of Default with respect to the 2026 Notes has occurred and is continuing and no defaults or Events of Defaults related to bankruptcy, insolvency or reorganization occurs during the 90 days following the deposit;

- the full defeasance must not cause the trustee to have a conflicting interest within the meaning of the Trust Indenture Act;

- the full defeasance must not result in a breach or violation of, or constitute a default under, the 2026 Note indenture or any other material agreements or instruments to which we are a party;

- the full defeasance must not result in the trust arising from the deposit constituting an investment company within the meaning of the Investment Company Act unless such trust will be registered under the Investment Company Act or exempt from registration thereunder; and

- we must deliver to the trustee an officers' certificate and an opinion of counsel stating that all conditions precedent with respect to the full defeasance have been complied with.

In the event that the trustee is unable to apply the funds held in trust to the payment of obligations under the 2026 Notes by reason of a court order or governmental injunction or prohibition, then those of our obligations discharged under the full defeasance or covenant defeasance will be revived and reinstated as though no deposit of funds had occurred, until such time as the trustee is permitted to apply all funds held in trust under the procedure described above to the payment of obligations under the 2026 Notes. However, if we make any payment of principal or interest on the 2026 Notes to the holders, we will have the right to receive such payments from the trust in the place of the holders.

Counsel may rely on an officers' certificate as to any matters of fact in giving an opinion of counsel in connection with the full defeasance or covenant defeasance provisions.

Listing

The 2026 Notes are listed on Nasdaq under the symbol "ATLCL." The 2026 Notes trade "flat," meaning that purchasers will not pay and sellers will not receive any accrued and unpaid interest on the 2026 Notes that is not included in the trading price thereof.

Governing Law

The 2026 Note indenture and the 2026 Notes are governed by and construed in accordance with the laws of the State of New York.

2026 Global Notes; Book-Entry Issuance

The 2026 Notes were issued in the form of two global certificates, or "2026 Global Notes," registered in the name of The Depository Trust Company, or "DTC." DTC's nominee is Cede & Co.

Accordingly, Cede & Co. is the registered holder of the 2026 Notes. No person that acquires a beneficial interest in the 2026 Notes will be entitled to receive a certificate representing that person's interest in the 2026 Notes except as described herein. Unless and until definitive securities are issued under the limited circumstances described below, all references to actions by holders of the 2026 Notes refer to actions taken by DTC upon instructions from its participants, and all references to payments and notices to holders refer to payments and notices to DTC or Cede & Co., as the registered holder of these securities.

DTC has informed us that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants, or "Direct Participants," deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or "DTCC."

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). DTC has an S&P rating of AA+ and a Moody's rating of Aaa. The DTC Rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the 2026 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Notes on DTC's records. The ownership interest of each actual purchaser of each 2026 Note, or the "2026 Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. 2026 Beneficial Owners will not receive written confirmation from DTC of their purchase. 2026 Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the 2026 Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of 2026 Beneficial Owners. 2026 Beneficial Owners will not receive certificates representing their ownership interests in the 2026 Notes, except in the event that use of the book-entry system for the 2026 Notes is discontinued.

To facilitate subsequent transfers, all 2026 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2026 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual 2026 Beneficial Owners of the 2026 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the 2026 Notes are credited, which may or may not be the 2026 Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to 2026 Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the 2026 Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2026 Notes to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2026 Notes unless authorized by a Direct Participant in accordance with DTC's applicable procedures. Under its usual procedures, DTC mails an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2026 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and interest payments on the 2026 Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the applicable trustee or depositary on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to 2026 Beneficial Owners will be governed by standing instructions and customary practices, as is the case with the 2026 Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the applicable trustee or depositary, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the applicable trustee or depositary. Disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the 2026 Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

None of Atlanticus, the trustee, any depositary, or any agent of any of them will have any responsibility or liability for any aspect of DTC's or any participant's records relating to, or for payments made on account of, beneficial interests in a 2026 Global Note, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Termination of a 2026 Global Note

If a 2026 Global Note is terminated for any reason, interest in it will be exchanged for certificates in non-book-entry form as certificated securities. After such exchange, the choice of whether to hold the certificated 2026 Notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a 2026 Global Note transferred on termination to their own names, so that they will be holders of the 2026 Notes. See "-Form, Exchange and Transfer of Certificated Registered Securities."

Payment and Paying Agents

We pay interest to the person listed in the trustee's records as the owner of the 2026 Notes at the close of business on the record date for the applicable interest payment date, even if that person no longer owns the 2026 Note on the interest payment date. Because we pay all the interest for an interest period to the holders on the record date, holders buying and selling the 2026 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2026 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period.

Payments on 2026 Global Notes. We will make payments on the 2026 Notes so long as they are represented by 2026 Global Notes in accordance with the applicable policies of the depositary in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interest in the 2026 Global Notes. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Securities. In the event the 2026 Notes become represented by certificates, we will make payments on the 2026 Notes as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder of the 2026 Note at his or her address shown on the trustee's records as of the close of business on the record date. We will make all payments of principal by check or wire transfer at the office of the trustee in the contiguous United States and/or at other offices that may be specified in the 2026 Note indenture or a notice to holders against surrender of the 2026 Note.

Payment When Offices Are Closed. If any payment is due on the 2026 Notes on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation will be treated under the 2026 Note indenture as if they were made on the original due date. Such payment will not result in a default under the 2026 Notes or the 2026 Note indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

Form, Exchange and Transfer of Certificated Registered Securities

2026 Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related 2026 Notes only if:

- DTC notified us at any time that it is unwilling or unable to continue as depositary for the Global 2026 Notes;
- DTC ceases to be registered as a clearing agency under the Exchange Act; or
- an Event of Default with respect to such 2026 Global Note has occurred and is continuing.

Holders may exchange their certificated securities for 2026 Notes of smaller denominations or combined into fewer 2026 Notes of larger denominations, as long as the total principal amount is not changed and as long as the denomination is equal to or greater than $25.

Holders may exchange or transfer their certificated securities at the office of the trustee. We have appointed the trustee to act as our agent for registering the 2026 Notes in the name of holders transferring 2026 Notes. We may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts.

Holders will not be required to pay a service charge for any registration of transfer or exchange of their certificated securities, but they may be required to pay any tax or other governmental charge associated with the registration of transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

If we redeem any of the 2026 Notes, we may block the transfer or exchange of those 2026 Notes selected for redemption during the period beginning 15 days before the day we deliver the notice of redemption and ending on the day of such delivery, in order to determine or fix the list of holders. We may also refuse to register transfers or exchanges of any certificated 2026 Notes selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any 2026 Note that will be partially redeemed.

About the Trustee

U.S. Bank Trust Company, National Association is the trustee under the 2026 Note indenture and is the principal paying agent and registrar for the 2026 Notes. The trustee may resign or be removed with respect to the 2026 Notes provided that a successor trustee is appointed to act with respect to the 2026 Notes.

DESCRIPTION OF THE 2029 NOTES

Atlanticus issued $57.25 million in aggregate principal amount of the 2029 Notes under the base indenture, as previously supplemented by the first supplemental indenture and second supplemental indenture, and as further supplemented by a third supplemental indenture (the "third supplemental indenture" and, together with the base indenture, the first supplemental indenture and the second supplemental indenture, the "2029 Note indenture"). Unless the context requires otherwise, all references to "we," "us," "our" and "Atlanticus" in this section refer solely to Atlanticus Holdings Corporation, the issuer of the 2029 Notes, and not to any of its subsidiaries.

The following is a summary of the material terms and provisions of the 2029 Notes. The statements below describing the 2029 Notes are in all respects subject to and qualified in their entirety by reference to the applicable provisions of the base indenture and the third supplemental indenture. A copy of the base indenture is included as Exhibit 4.1 to Atlanticus' Current Report on Form 8-K filed with the SEC on November 22, 2021. Copies of the third supplemental indenture and the form of 2029 Notes are included as Exhibit 4.2 and Exhibit 4.3, respectively, to Atlanticus' Current Report on Form 8-K filed with the SEC on January 30, 2024. You should read these documents in their entirety. In addition, the following summary is subject to, and is qualified in its entirety by reference to, the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and to all of those terms made a part of the 2029 Note indenture by reference to the Trust Indenture Act.

General

The 2029 Notes:

- are our general unsecured, senior obligations;
- are initially limited to an aggregate principal amount of $57.5 million;
- mature on January 31, 2029 unless earlier redeemed or repurchased, and 100% of the aggregate principal amount will be paid at maturity;
- bear cash interest from January 30, 2024 at an annual rate of 9.25%, payable quarterly in arrears on January 15, April 15, July 15, and October 15 of each year, and at maturity;
- are redeemable at our option, in whole or in part, at any time, at the prices and on the terms described under "-Optional Redemption" below;
- are issued in denominations of $25 and integral multiples of $25 in excess thereof;
- do not have a sinking fund;
- are listed on Nasdaq under the symbol "ATLCZ"; and
- are represented by two registered 2029 Notes in global form, but in certain limited circumstances may be represented by 2029 Notes in definitive form.

The 2029 Note indenture does not limit the amount of indebtedness that we or our subsidiaries may issue. The 2029 Note indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing our other securities. Other than restrictions described under "-Covenants-Merger, Consolidation or Sale of Assets" below, the 2029 Note indenture does not contain any covenants or other provisions designed to afford holders of the 2029 Notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in our credit rating as the result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

We may from time to time, without the consent of the existing holders, issue additional 2029 Notes having the same terms as to status, redemption or otherwise (except the price to public, the issue date and, if applicable, the initial interest accrual date and the initial interest payment date) that may constitute a single fungible series with the 2029 Notes; provided that if any such additional 2029 Notes are not fungible with the 2029 Notes initially offered hereby for U.S. federal income tax purposes, such additional 2029 Notes will have one or more separate CUSIP numbers. For the avoidance of doubt, such additional 2029 Notes will still constitute a single series with all other 2029 Notes issued under the 2029 Note indenture for all purposes, including waivers, amendments, redemptions and offers to purchase.

Ranking

The 2029 Notes are senior unsecured obligations of Atlanticus, and, upon our liquidation, dissolution or winding up, rank (i) senior to the outstanding shares of our common stock, (ii) senior to any of our future subordinated debt, (iii) pari passu (or equally) with our future unsecured and unsubordinated indebtedness, (iv) effectively subordinated to any existing or future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness, and (v) structurally subordinated to all existing and future indebtedness of our subsidiaries, financing vehicles or similar facilities. The 2029 Notes are obligations solely of Atlanticus and are not guaranteed by any of our subsidiaries.

Interest

Interest on the 2029 Notes accrue at an annual rate equal to 9.25% from and including January 30, 2024 to, but excluding, the maturity date or earlier acceleration or redemption and are payable quarterly in arrears on January 15, April 15, July 15, and October 15 of each year, and at maturity, to the holders of record at the close of business on the immediately preceding January 1, April 1, July 1 and October 1 (and January 15, 2029 immediately preceding the maturity date), as applicable (whether or not a business day).

The interest periods are the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be. The amount of interest payable for any interest period, including interest payable for any partial interest period, is computed on the basis of a 360-day year comprised of twelve 30-day months. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment.

“Business day” means, for any place where the principal and interest on the 2029 Notes is payable, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day in which banking institutions in New York are authorized or obligated by law or executive order to close.

Optional Redemption

We may, at our option, redeem the 2029 Notes, in whole at any time or in part from time to time.

On or after January 31, 2026, we may redeem the 2029 Notes at a redemption price equal to the prices set forth below per $25.00 principal amount of 2029 Notes, plus accrued and unpaid interest on such 2029 Notes to, but excluding, the date of redemption:

Period	Amount
On or after January 31, 2026, but prior to January 31, 2027	$ 25.50
On or after January 31, 2027, but prior to January 31, 2028	$ 25.25
On or after January 31, 2028	$ 25.00

At any time prior to January 31, 2026, we may on any one or more occasions redeem all or a part of the 2029 Notes at a redemption price equal to 100% of the principal amount of the 2029 Notes to be redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the date of redemption.

In each case, the redemption price is subject to the rights of holders of 2029 Notes on the relevant record date to receive interest due on the relevant interest payment date.

"Applicable Premium" means, with respect to any 2029 Note on any redemption date prior to January 31, 2026, the greater of:
(1) 1.0% of the principal amount of the 2029 Note; and
(2) the excess of:
(a) the present value at such redemption date of (i) the redemption price of the 2029 Note at January 31, 2026 (such redemption price being set forth in the table appearing above) plus (ii) all required interest payments due on the 2029 Note through January 31, 2026 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), over
(b) the principal amount of the 2029 Note.

"Treasury Rate" means, as of any redemption date, the yield to maturity as of the time of computation of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to January 31, 2026; provided, however, that if the period from the redemption date to January 31, 2026, is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used. Atlanticus will (a) calculate the Treasury Rate on the second business day preceding the applicable redemption date and (b) prior to such redemption date file with the trustee an officers' certificate setting forth the Applicable Premium and the Treasury Rate and showing the calculation of each in reasonable detail.

In each case, redemption shall be upon notice not fewer than 10 days and not more than 60 days prior to the date fixed for redemption, except that redemption notices may be delivered more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the 2029 Notes or a discharge of the 2029 Note indenture. Notices of redemption may be subject to satisfaction or waiver of one or more conditions precedent specified in the notice of redemption.

If less than all of the 2029 Notes are to be redeemed, the particular 2029 Notes to be redeemed will be selected not more than 45 days prior to the redemption date by the trustee from the outstanding 2029 Notes not previously called for redemption, by lot, or in the trustee's discretion, on a pro-rata basis, provided that the unredeemed portion of the principal amount of any 2029 Notes will be in an authorized denomination (which will not be less than the minimum authorized denomination) for such 2029 Notes. The trustee will promptly notify us in writing of the 2029 Notes selected for redemption and, in the case of any 2029 Notes selected for partial redemption, the principal amount thereof to be redeemed. Beneficial interests in any of the 2029 Notes or portions thereof called for redemption that are registered in the name of The Depository Trust Company or its nominee will be selected by The Depository Trust Company in accordance with The Depository Trust Company's applicable procedures.

The trustee shall have no obligation to calculate any redemption price or any component thereof, and the trustee shall be entitled to receive and conclusively rely upon an officer's certificate delivered by Atlanticus that specifies any redemption price.

Unless we default on the payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the 2029 Notes called for redemption.

We may at any time, and from time to time, purchase 2029 Notes at any price or prices in the open market or otherwise.

Purchase of 2029 Notes Upon a Delisting Event

For purposes of the following discussion, a "Delisting Event" occurs with respect to the 2029 Notes, when for a period of 180 consecutive days, both (i) the 2029 Notes are not listed or quoted on Nasdaq, NYSE, NYSE AMER, or listed or quoted on an exchange or quotation system that is a successor to Nasdaq, the NYSE or NYSE AMER, and (ii) we are not subject to the reporting requirements of the Exchange Act, and any 2029 Notes remain outstanding.

If a Delisting Event occurs with respect to the 2029 Notes, holders of such 2029 Notes will have the right to require us to purchase all or any part of their 2029 Notes pursuant to the offer described below (the "Triggering Offer") on the terms set forth in the 2029 Note indenture. In the Triggering Offer, we will be required to offer payment in cash equal to 100% of the aggregate principal amount of the 2029 Notes purchased plus accrued and unpaid interest, if any, to but excluding the date of purchase (the "Triggering Payment"). Within 30 days following a Delisting Event, unless (i) we have exercised our right to redeem all of the 2029 Notes as described under "—Optional Redemption" or (ii) such Delisting Event has been cured, we will be required to mail, or with respect to 2029 Notes issued in global form, transmit in accordance with DTC's standard procedures therefor, a notice to the holders of such 2029 Notes describing the transaction or transactions that constitute the Delisting Event and offering to purchase such 2029 Notes on the date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is mailed or transmitted (the "Triggering Payment Date"), pursuant to the procedures required by the 2029 Note indenture and described in such notice. The notice will, if mailed or transmitted prior to the date of the occurrence of a Delisting Event, state that the offer to purchase is conditioned on the Delisting Event occurring on or prior to the Triggering Payment Date. We must comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the purchase of the 2029 Notes as a result of a Delisting Event. To the extent that the provisions of any securities laws or regulations conflict with the Delisting Event provisions of the 2029 Note indenture, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Delisting Event provisions or the delisting provisions of the indenture by virtue of such conflicts. On the Triggering Payment Date, we will be required, to the extent lawful, to:

- accept for payment all 2029 Notes or portions of 2029 Notes properly tendered and not withdrawn pursuant to the Triggering Offer;
- deposit, to the extent not previously deposited for such purpose, with the paying agent an amount equal to the Triggering Payment in respect of all Notes or portions of Notes tendered; and
- deliver or cause to be delivered to the trustee the 2029 Notes properly accepted together with an officer's certificate stating the aggregate principal amount of 2029 Notes or portions of 2029 Notes being purchased by us.

The paying agent will promptly mail, or with respect to 2029 Notes issued in global form, transmit in accordance with DTC's standard procedures therefor, to each holder of 2029 Notes properly tendered the purchase price for the 2029 Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new 2029 Notes equal in principal amount to any unpurchased portion of any 2029 Notes surrendered.

We will not be required to make an offer to repurchase any 2029 Notes upon a Delisting Event if (1) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us, and such third party purchases all 2029 Notes of the applicable series properly tendered and not withdrawn under its offer; or (2) we have given written notice of a full redemption of all of the 2029 Notes to the holders thereof as provided under "—Optional Redemption," if applicable, above, unless we fail to pay the redemption price on the redemption date.

Events of Default

Holders of our 2029 Notes will have rights if an Event of Default occurs in respect of the 2029 Notes and is not cured, as described later in this subsection. The term "Event of Default" in respect of the 2029 Notes means any of the following:

- we do not pay interest on any 2029 Note when due, and such default is not cured within 30 days;
- we do not pay the principal of the 2029 Notes when due and payable;
- we breach any covenant or warranty in the 2029 Note indenture with respect to the 2029 Notes and such breach continues for 60 days after we receive a written notice of such breach from the trustee or the holders of at least 25% of the principal amount of the 2029 Notes; and
- certain specified events of bankruptcy, insolvency or reorganization occur and remain undischarged or unstayed for a period of 90 days.

The trustee may withhold notice to the holders of the 2029 Notes of any default, except in the payment of principal or interest, if the trustee in good faith determines the withholding of notice to be in the interest of the holders of the 2029 Notes.

Each year, we furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the 2029 Note indenture and the 2029 Notes, or else specifying any default, its status and what actions we are taking or propose to take with respect thereto.

Remedies if an Event of Default Occurs. If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% of the outstanding principal amount of the 2029 Notes may declare the entire principal amount of the 2029 Notes, together with accrued and unpaid interest, if any, to be due and payable immediately by a notice in writing to us and, if notice is given by the holders of the 2029 Notes, the trustee. This is called an "acceleration of maturity." If the Event of Default occurs in relation to our filing for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur, the principal amount of the 2029 Notes, together with accrued and unpaid interest, if any, will automatically, and without any declaration or other action on the part of the trustee or the holders, become immediately due and payable.

At any time after a declaration of acceleration of the 2029 Notes has been made by the trustee or the holders of the 2029 Notes and before any judgment or decree for payment of money due has been obtained by the trustee, the holders of a majority of the outstanding principal of the 2029 Notes, by written notice to us and the trustee, may rescind and annul such declaration and its consequences if (i) we have paid or deposited with the trustee all amounts due and owed with respect to the 2029 Notes (other than principal that has become due solely by reason of such acceleration) and certain other amounts, and (ii) any other Events of Default have been cured or waived.

At our election, the sole remedy with respect to an Event of Default due to our failure to comply with certain reporting requirements under the Trust Indenture Act or under "-Covenants-Reporting" below, for the first 180 calendar days after the occurrence of such Event of Default, consists exclusively of the right to receive additional interest on the 2029 Notes at an annual rate equal to (1) 0.25% for the first 90 calendar days after such default and (2) 0.50% for calendar days 91 through 180 after such default. On the 181st day after such Event of Default, if such violation is not cured or waived, the trustee or the holders of not less than 25% of the outstanding principal amount of the 2029 Notes may declare the principal, together with accrued and unpaid interest, if any, on the 2029 Notes to be due and payable immediately. If we choose to pay such additional interest, we must notify the trustee and the holders of the 2029 Notes by certificate of our election at any time on or before the close of business on the first business day following the Event of Default and we shall deliver to the trustee an officer's certificate (upon which the trustee may rely conclusively) to that effect stating (i) the amount of such additional interest that is payable and (ii) the date on which such additional interest is payable. Unless and until the trustee receives such a certificate, the trustee may assume without inquiry that no such additional interest is payable and the trustee shall not have any duty to verify our calculations of additional interest.

Before a holder of the 2029 Notes is allowed to bypass the trustee and bring a lawsuit or other formal legal action or take other steps to enforce such holder's rights relating to the 2029 Notes, the following must occur:

- such holder must give the trustee written notice that the Event of Default has occurred and remains uncured;
- the holders of at least 25% of the outstanding principal of the 2029 Notes must have made a written request to the trustee to institute proceedings in respect of such Event of Default in its own name as trustee;
- such holder or holders must have offered to the trustee indemnity satisfactory to the trustee against the costs, expenses and liabilities to be incurred in compliance with such request;
- the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- no direction inconsistent with such written request has been given to the trustee during such 60-day period by holders of a majority of the outstanding principal of the 2029 Notes.

No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Book-entry and other indirect holders of the 2029 Notes should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.

Waiver of Defaults. The holders of not less than a majority of the outstanding principal amount of the 2029 Notes may on behalf of the holders of all 2029 Notes waive any past default with respect to the 2029 Notes other than (i) a default in the payment of principal or interest on the 2029 Notes when such payments are due and payable (other than by acceleration as described above), or (ii) in respect of a covenant that cannot per the terms of the 2029 Note indenture be modified or amended without the consent of each holder of 2029 Notes.

Covenants

In addition to standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment, payment of taxes by us and related matters, the following covenants apply to the 2029 Notes.

Merger, Consolidation or Sale of Assets. The 2029 Note indenture provides that we will not merge or consolidate with or into any other person (other than a merger of a wholly owned subsidiary into us), or sell, transfer, lease, convey or otherwise dispose of all or substantially all our property in any one transaction or series of related transactions unless:

- we are the surviving entity or the entity (if other than us) formed by such merger or consolidation or to which such sale, transfer, lease, conveyance or disposition is made will be a corporation or limited liability company organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

- the surviving entity (if other than us) expressly assumes, by supplemental indenture in form reasonably satisfactory to the trustee, executed and delivered to the trustee by such surviving entity, the due and punctual payment of the principal of, and premium, if any, and interest on, all the 2029 Notes outstanding, and the due and punctual performance and observance of all the covenants and conditions of the 2029 Note indenture to be performed by us;

- immediately after giving effect to such transaction or series of related transactions, no default or Event of Default has occurred and is continuing; and

- in the case of a merger where the surviving entity is other than us, we or such surviving entity will deliver, or cause to be delivered, to the trustee, an officers' certificate and an opinion of counsel, each stating that such transaction and the supplemental indenture, if any, in respect thereto, comply with this covenant and that all conditions precedent in the 2029 Note indenture relating to such transaction have been complied with; provided that in giving an opinion of counsel, counsel may rely on an officers' certificate as to any matters of fact, including as to the satisfaction of the preceding bullet.

The surviving entity (if other than us) will succeed to, and be substituted for, and may exercise every right and power of, Atlanticus under the 2029 Notes and the 2029 Note indenture, and Atlanticus will automatically and unconditionally be released and discharged from its obligations under the 2029 Notes and the 2029 Note indenture.

Reporting. If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the 2029 Notes and the trustee, for the period of time during which the 2029 Notes are outstanding, our audited annual consolidated financial statements, within 90 days of our fiscal year end, and unaudited interim consolidated financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with GAAP, as applicable.

The posting or delivery of any such information, documents and reports to the trustee is for informational purposes only and the trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including Atlanticus' compliance with any of the covenants under the 2029 Note indenture (as to which the trustee is entitled to rely exclusively on an officer's certificate). The trustee shall have no duty to review or analyze reports, information and documents delivered to it. Additionally, the trustee shall not be obligated to monitor or confirm, on a continuing basis or otherwise, Atlanticus' compliance with the covenants or with respect to any reports or other documents filed with any protected online data system or participate on any conference calls.

Modification or Waiver

There are three types of changes we can make to the 2029 Note indenture and the 2029 Notes:

Changes Not Requiring Approval. We can make certain changes to the 2029 Note indenture and the 2029 Notes without the specific approval of the holders of the 2029 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 2029 Notes in any material respect and include changes:

- to evidence the succession of another corporation, and the assumption by the successor corporation of our covenants, agreements and obligations under the 2029 Note indenture and the 2029 Notes;

- to add to our covenants such new covenants, restrictions, conditions or provisions for the protection of the holders of the 2029 Notes, and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, restrictions, conditions or provisions an Event of Default;

- to modify, eliminate or add to any of the provisions of the 2029 Note indenture to such extent as necessary to effect the qualification of the 2029 Note indenture under the Trust Indenture Act, and to add to the 2029 Note indenture such other provisions as may be expressly permitted by the Trust Indenture Act, excluding however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act;

- to cure any ambiguity or to correct or supplement any provision contained in the 2029 Note indenture or in any supplemental indenture which may be defective or inconsistent with other provisions;

- to secure the 2029 Notes;

- to evidence and provide for the acceptance and appointment of a successor trustee and to add or change any provisions of the 2029 Note indenture as necessary to provide for or facilitate the administration of the trust by more than one trustee; and

- to make provisions in regard to matters or questions arising under the 2029 Note indenture, so long as such other provisions do not materially affect the interest of any other holder of the 2029 Notes.

Changes Requiring Approval of Each Holder. We cannot make certain changes to the 2029 Notes without the specific approval of each holder of the 2029 Notes. The following is a list of those types of changes:

- changing the stated maturity of the principal of, or any installment of interest on, any 2029 Note;

- reducing the principal amount or rate of interest of any 2029 Note;

- changing the place of payment where any 2029 Note or any interest is payable;

- impairing the right to institute suit for the enforcement of any payment on or after the date on which it is due and payable;

- reducing the percentage in principal amount of holders of the 2029 Notes whose consent is needed to modify or amend the 2029 Note indenture; and

- reducing the percentage in principal amount of holders of the 2029 Notes whose consent is needed to waive compliance with certain provisions of the 2029 Note indenture or to waive certain defaults.

Changes Requiring Majority Approval. Any other change to the 2029 Note indenture and the 2029 Notes would require the approval by holders of not less than a majority in aggregate principal amount of the outstanding 2029 Notes.

Consent from holders to any change to the 2029 Note indenture or the 2029 Notes must be given in writing. The consent of the holders of the 2029 Notes is not necessary under the 2029 Note indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Further Details Concerning Voting. The amount of 2029 Notes deemed to be outstanding for the purpose of voting will include all 2029 Notes authenticated and delivered under the 2029 Note indenture as of the date of determination except:

- 2029 Notes cancelled by the trustee or delivered to the trustee for cancellation;
- 2029 Notes for which we have deposited with the trustee or paying agent or set aside in trust money for their payment or redemption and, if money has been set aside for the redemption of the 2029 Notes, notice of such redemption has been duly given pursuant to the 2029 Note indenture to the satisfaction of the trustee;
- 2029 Notes held by Atlanticus, its subsidiaries or any other entity which is an obligor under the 2029 Notes, unless such 2029 Notes have been pledged in good faith and the pledgee is not Atlanticus, an affiliate of Atlanticus or an obligor under the 2029 Notes;
- 2029 Notes which have undergone full defeasance, as described below; and
- 2029 Notes which have been paid or exchanged for other 2029 Notes due to such 2029 Notes loss, destruction or mutilation, with the exception of any such 2029 Notes held by bona fide purchasers who have presented proof to the trustee that such 2029 Notes are valid obligations of Atlanticus.

We generally are entitled to set any day as a record date for the purpose of determining the holders of the 2029 Notes that are entitled to vote or take other action under the 2029 Note indenture, and the trustee generally is entitled to set any day as a record date for the purpose of determining the holders of the 2029 Notes that are entitled to join in the giving or making of any Notice of Default, any declaration of acceleration of maturity of the 2029 Notes, any request to institute proceedings or the reversal of such declaration. If we or the trustee set a record date for a vote or other action to be taken by the holders of the 2029 Notes, that vote or action can only be taken by persons who are holders of the 2029 Notes on the record date and, unless otherwise specified, such vote or action must take place on or prior to the 180th day after the record date. We may change the record date at our option, and we will provide written notice to the trustee and to each holder of the 2029 Notes of any such change of record date.

Defeasance

The following defeasance provisions are applicable to the 2029 Notes. "Defeasance" means that, by irrevocably depositing with the trustee an amount of cash denominated in U.S. dollars and/or U.S. government obligations sufficient to pay all principal and interest, if any, on the 2029 Notes when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the 2029 Notes. In the event of a "covenant defeasance," upon depositing such funds and satisfying similar conditions discussed below we would be released from certain covenants under the 2029 Note indenture governing the 2029 Notes. The consequences to the holders of the 2029 Notes would be that, while they would no longer benefit from certain covenants under the 2029 Note indenture, and while the 2029 Notes could not be accelerated for any reason, the holders of the 2029 Notes nonetheless would be guaranteed to receive the principal and interest owed to them.

Covenant Defeasance. Under the 2029 Note indenture, we have the option to take the actions described below and be released from some of the restrictive covenants under the 2029 Note indenture under which the 2029 Notes were issued. This is called "covenant defeasance." In that event, holders of the 2029 Notes would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay the 2029 Notes. In order to achieve covenant defeasance, the following must occur:

- we must irrevocably deposit or cause to be deposited with the trustee as trust funds for the benefit of all holders of the 2029 Notes cash, U.S. government obligations or a combination of cash and U.S. government obligations sufficient, without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, investment bank or appraisal firm, to generate enough cash to make interest, principal and any other applicable payments on the 2029 Notes on their various due dates;
- we must deliver to the trustee an opinion of counsel stating that under U.S. federal income tax law, we may make the above deposit and covenant defeasance without causing holders to be taxed on the 2029 Notes differently than if those actions were not taken;
- we must deliver to the trustee an officers' certificate stating that the 2029 Notes, if then listed on any securities exchange, will not be delisted as a result of the deposit;
- no default or Event of Default with respect to the 2029 Notes has occurred and is continuing, and no defaults or Events of Defaults related to bankruptcy, insolvency or reorganization occurs during the 90 days following the deposit;
- the covenant defeasance must not cause the trustee to have a conflicting interest within the meaning of the Trust Indenture Act;
- the covenant defeasance must not result in a breach or violation of, or constitute a default under, the 2029 Note indenture or any other material agreements or instruments to which we are a party;
- the covenant defeasance must not result in the trust arising from the deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), unless such trust will be registered under the Investment Company Act or exempt from registration thereunder; and
- we must deliver to the trustee an officers' certificate and an opinion of counsel stating that all conditions precedent with respect to the covenant defeasance have been complied with.

Full Defeasance. If there is a change in U.S. federal income tax law, we can legally release ourselves from all payment and other obligations on the 2029 Notes if we take the following actions below:

- we must irrevocably deposit or cause to be deposited with the trustee as trust funds for the benefit of all holders of the 2029 Notes cash, U.S. government obligations or a combination of cash and U.S. government obligations sufficient, without reinvestment, in the opinion of a nationally recognized firm, of independent public accountants, investment bank or appraisal firm, to generate enough cash to make interest, principal and any other applicable payments on the 2029 Notes on their various due dates;

- we must deliver to the trustee an opinion of counsel confirming that there has been a change to the current U.S. federal income tax law or an Internal Revenue Service ruling that allows us to make the above deposit without causing holders to be taxed on the 2029 Notes any differently than if we did not make the deposit;

- we must deliver to the trustee an officers' certificate stating that the 2029 Notes, if then listed on any securities exchange, will not be delisted as a result of the deposit;

- no default or Event of Default with respect to the 2029 Notes has occurred and is continuing and no defaults or Events of Defaults related to bankruptcy, insolvency or reorganization occurs during the 90 days following the deposit;

- the full defeasance must not cause the trustee to have a conflicting interest within the meaning of the Trust Indenture Act;

- the full defeasance must not result in a breach or violation of, or constitute a default under, the 2029 Note indenture or any other material agreements or instruments to which we are a party;

- the full defeasance must not result in the trust arising from the deposit constituting an investment company within the meaning of the Investment Company Act unless such trust will be registered under the Investment Company Act or exempt from registration thereunder; and

- we must deliver to the trustee an officers' certificate and an opinion of counsel stating that all conditions precedent with respect to the full defeasance have been complied with.

In the event that the trustee is unable to apply the funds held in trust to the payment of obligations under the 2029 Notes by reason of a court order or governmental injunction or prohibition, then those of our obligations discharged under the full defeasance or covenant defeasance will be revived and reinstated as though no deposit of funds had occurred, until such time as the trustee is permitted to apply all funds held in trust under the procedure described above to the payment of obligations under the 2029 Notes. However, if we make any payment of principal or interest on the 2029 Notes to the holders, we will have the right to receive such payments from the trust in the place of the holders.

Counsel may rely on an officers' certificate as to any matters of fact in giving an opinion of counsel in connection with the full defeasance or covenant defeasance provisions.

Listing

The 2029 Notes are listed on Nasdaq under the symbol "ATLCZ." The 2029 Notes trade "flat," meaning that purchasers will not pay and sellers will not receive any accrued and unpaid interest on the 2029 Notes that is not included in the trading price thereof.

Governing Law

The 2029 Note indenture and the 2029 Notes are governed by and construed in accordance with the laws of the State of New York.

2029 Global Notes; Book-Entry Issuance

The 2029 Notes were issued in the form of two global certificates, or "2029 Global Notes," registered in the name of DTC. DTC's nominee is Cede & Co.

Accordingly, Cede & Co. is the registered holder of the 2029 Notes. No person that acquires a beneficial interest in the 2029 Notes will be entitled to receive a certificate representing that person's interest in the 2029 Notes except as described herein. Unless and until definitive securities are issued under the limited circumstances described below, all references to actions by holders of the 2029 Notes refer to actions taken by DTC upon instructions from its participants, and all references to payments and notices to holders refer to payments and notices to DTC or Cede & Co., as the registered holder of these securities.

DTC has informed us that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that Direct Participants deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of DTCC.

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to Indirect Participants. DTC has an S&P rating of AA+ and a Moody's rating of Aaa. The DTC Rules applicable to its participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the 2029 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2029 Notes on DTC's records. The ownership interest of each actual purchaser of each 2029 Note, or the "2029 Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. 2029 Beneficial Owners will not receive written confirmation from DTC of their purchase. 2029 Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the 2029 Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2029 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of 2029 Beneficial Owners. 2029 Beneficial Owners will not receive certificates representing their ownership interests in the 2029 Notes, except in the event that use of the book-entry system for the 2029 Notes is discontinued.

To facilitate subsequent transfers, all 2029 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2029 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual 2029 Beneficial Owners of the 2029 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the 2029 Notes are credited, which may or may not be the 2029 Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to 2029 Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the 2029 Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2029 Notes to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2029 Notes unless authorized by a Direct Participant in accordance with DTC's applicable procedures. Under its usual procedures, DTC mails an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2029 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and interest payments on the 2029 Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the applicable trustee or depositary on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to 2029 Beneficial Owners will be governed by standing instructions and customary practices, as is the case with the 2029 Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the applicable trustee or depositary, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the applicable trustee or depositary. Disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the 2029 Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

None of Atlanticus, the trustee, any depositary, or any agent of any of them will have any responsibility or liability for any aspect of DTC's or any participant's records relating to, or for payments made on account of, beneficial interests in a 2029 Global Note, or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Termination of a 2029 Global Note

If a 2029 Global Note is terminated for any reason, interest in it will be exchanged for certificates in non-book-entry form as certificated securities. After such exchange, the choice of whether to hold the certificated 2029 Notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a 2029 Global Note transferred on termination to their own names, so that they will be holders of the 2029 Notes. See "-Form, Exchange and Transfer of Certificated Registered Securities."

Payment and Paying Agents

We pay interest to the person listed in the trustee's records as the owner of the 2029 Notes at the close of business on the record date for the applicable interest payment date, even if that person no longer owns the 2029 Note on the interest payment date. Because we pay all the interest for an interest period to the holders on the record date, holders buying and selling the 2029 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2029 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period.

Payments on 2029 Global Notes. We will make payments on the 2029 Notes so long as they are represented by 2029 Global Notes in accordance with the applicable policies of the depositary in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interest in the 2029 Global Notes. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants.

Payments on Certificated Securities. In the event the 2029 Notes become represented by certificates, we will make payments on the 2029 Notes as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder of the 2029 Note at his or her address shown on the trustee's records as of the close of business on the record date. We will make all payments of principal by check or wire transfer at the office of the trustee in the contiguous United States and/or at other offices that may be specified in the 2029 Note indenture or a notice to holders against surrender of the 2029 Note.

Payment When Offices Are Closed. If any payment is due on the 2029 Notes on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation will be treated under the 2029 Note indenture as if they were made on the original due date. Such payment will not result in a default under the 2029 Notes or the 2029 Note indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

Form, Exchange and Transfer of Certificated Registered Securities

2029 Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related 2029 Notes only if:

- DTC notified us at any time that it is unwilling or unable to continue as depositary for the Global 2029 Notes;
- DTC ceases to be registered as a clearing agency under the Exchange Act; or
- an Event of Default with respect to such 2029 Global Note has occurred and is continuing.

Holders may exchange their certificated securities for 2029 Notes of smaller denominations or combined into fewer 2029 Notes of larger denominations, as long as the total principal amount is not changed and as long as the denomination is equal to or greater than $25.

Holders may exchange or transfer their certificated securities at the office of the trustee. We have appointed the trustee to act as our agent for registering the 2029 Notes in the name of holders transferring 2029 Notes. We may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts.

Holders will not be required to pay a service charge for any registration of transfer or exchange of their certificated securities, but they may be required to pay any tax or other governmental charge associated with the registration of transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

If we redeem any of the 2029 Notes, we may block the transfer or exchange of those 2029 Notes selected for redemption during the period beginning 15 days before the day we deliver the notice of redemption and ending on the day of such delivery, in order to determine or fix the list of holders. We may also refuse to register transfers or exchanges of any certificated 2029 Notes selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any 2029 Note that will be partially redeemed.

About the Trustee

U.S. Bank Trust Company, National Association is the trustee under the 2029 Note indenture and is the principal paying agent and registrar for the 2029 Notes. The trustee may resign or be removed with respect to the 2029 Notes provided that a successor trustee is appointed to act with respect to the 2029 Notes.

Exhibit 10.8

OUTSIDE DIRECTOR COMPENSATION PACKAGE

Effective January 1, 2024, Atlanticus Holdings Corporation (the "Company") will pay each outside director who is independent in accordance with the NASDAQ and SEC rules governing director independence (an "Eligible Director") the following for service to the Company:

Annual Cash Retainer	$	50,000
Attendance Fee for Each Board Meeting (including telephonic attendance)	$	3,000
Attendance Fee for Each Committee Meeting (including telephonic attendance)	$	1,500

In addition, the Chair of each of the Audit Committee and the Social Impact Committee will receive an additional annual fee of $25,000. The Chair of each of the Nominating and Corporate Governance Committee and the Compensation Committee will receive an additional annual fee of $10,000. The Annual Cash Retainer and the Committee Chair fees will be paid in semi-annual installments.

Each Eligible Director also will receive a restricted stock award of 2,000 shares, such grant to be effective on January 1, 2024. The restricted stock award will vest in two equal annual installments beginning on the first anniversary of the grant date.

The Company also will reimburse all reasonable out-of-pocket travel expenses that are incurred in connection with board and committee meetings.

Exhibit 10.12(a)

CERTAIN INFORMATION, IDENTIFIED BY [*****], HAS BEEN EXCLUDED FROM THE EXHIBIT BECAUSE IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

SERIES 2018-ONE INDENTURE SUPPLEMENT

Dated as of November 9, 2018

to

MASTER INDENTURE

Dated as of November 9, 2018

Series 2018-One Asset Backed Notes

$139,900,000 Class A Asset Backed Notes

$15,650,000 Class B Asset Backed Notes

$11,730,000 Class C Asset Backed Notes

FORTIVA RETAIL CREDIT MASTER NOTE BUSINESS TRUST

SERIES 2018-One

among

FORTIVA RETAIL CREDIT MASTER NOTE BUSINESS TRUST

Issuer

ACCESS FINANCING, LLC

Servicer

and

U.S. BANK NATIONAL ASSOCIATION

Indenture Trustee

on behalf of the Series 2018-One Noteholders

EXHIBITS

Exhibit A-1 Form of Class A Rule 144A Global Note

Exhibit A-2 Form of Class A Temporary Regulation S Global Note

Exhibit A-3 Form of Class A Permanent Regulation S Global Note

Exhibit B-1 Form of Class B Rule 144A Global Note

Exhibit B-2 Form of Class B Temporary Regulation S Global Note

Exhibit B-3 Form of Class B Permanent Regulation S Global Note

Exhibit C-1 Form of Class C Rule 144A Global Note

Exhibit D Transferee Letter

Exhibit E Form of Monthly Servicer Statement

Exhibit F Form of Non-U.S. Certificate

Exhibit G Form of Regulation S Certificate

SERIES 2018-ONE INDENTURE SUPPLEMENT, dated as of November 9, 2018 (this "Supplement"), among FORTIVA RETAIL CREDIT MASTER NOTE BUSINESS TRUST, a business trust organized and existing under the laws of the State of Nevada (the "Issuer"), ACCESS FINANCING, LLC, a Georgia limited liability company, as servicer (together with its successors and permitted assigns, the "Servicer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, but solely as Indenture Trustee (together with its successors in the trusts thereunder as provided in the Indenture, the "Indenture Trustee") under the Master Indenture dated as of November 9, 2018 (the "Indenture") among the Issuer, the Servicer and the Indenture Trustee.

Section 2.10 of the Indenture provides that the Issuer may pursuant to one or more Indenture Supplements direct the Indenture Trustee, on behalf of the Issuer, to issue one or more Series of Notes and to set forth the Principal Terms of such Series.

Pursuant to this Supplement, the Issuer and the Indenture Trustee shall create a new Series of Notes and specify the Principal Terms thereof.

ARTICLE I

CREATION OF THE SERIES 2018-ONE NOTES.

Section 1.01. Designation.

(a) There is hereby created and designated a Series of Notes to be issued pursuant to the Indenture and this Supplement to be known as the "Fortiva Retail Credit Master Note Business Trust, Series 2018-One Notes" or the "Series 2018-One Notes." The Series 2018-One Notes shall be issued in three Classes, the first of which shall be known as the "Class A Series 2018-One Asset Backed Notes," the second of which shall be known as the "Class B Series 2018-One Asset Backed Notes" and the third of which shall be known as the "Class C Series 2018-One Asset Backed Notes." The Series 2018-One Notes shall be due and payable on the Stated Maturity Date.

(b) In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions of this Supplement shall be controlling.

ARTICLE II

DEFINITIONS

Section 2.01. Definitions.

(a) All capitalized terms used but not otherwise defined herein are defined in the Indenture, the Transfer and Servicing Agreement or the Trust Agreement (including by way of reference to other documents). Each capitalized term defined herein shall relate only to the Series 2018-One Notes and no other Series of Notes issued by the Issuer. Whenever used in this Supplement, the following words and phrases shall have the following meanings, and the definitions of such terms are applicable to the singular as well as the plural forms of such terms and the masculine as well as the feminine and neuter genders of such terms.

"Adjusted Transferor Amount" shall mean on any date of determination, an amount equal to the difference between (a) the Transferor Amount minus (b) the Excess Concentration Amount as of such day.

"Administrative Redemption" shall mean a redemption of the Series 2018-One Notes as specified in subsection 7.01(a).

"Allocation Amount" shall mean, as of any date, an amount equal to (a) the Initial Note Principal Balance, minus (b) the total amount of principal payments made on the Series 2018-One Notes prior to such date minus (c) the excess, if any, of (i) the total amount of Reduction Amounts for all Distribution Dates prior to such date and Reallocated Principal Collections that under subsections 4.06(b) and (c) were used prior to such date to fund the Class A Required Amount or the Class B Required Amount over (ii) such Reduction Amounts and Reallocated Principal Collections reimbursed pursuant to subsection 4.04(a)(vi)(A) prior to such date, provided that the Allocation Amount shall not be less than zero.

"Amended Partnership Audit Rules" mean Sections 6221-6241 of the Code, as amended by the Bipartisan Budget Act of 2015, P.L. 114-74.

"Available Finance Charge Collections" shall mean an amount equal to, with respect to any Monthly Period, the product of (i) the Floating Allocation Percentage for such Monthly Period and (ii) the Series 2018-One Allocable Finance Charge Collections for such Monthly Period.

Available Funds" shall mean, with respect to any Monthly Period, the sum of (a) Available Finance Charge Collections for such Monthly Period plus (b) the Spread Account Draw Amount for such Monthly Period.

"Available Principal Collections" shall mean an amount equal to, with respect to any Monthly Period, (i) the product of (a) the Fixed/Floating Allocation Percentage for such Monthly Period and (b) Series 2018-One Allocable Principal Collections minus (ii) the amounts with respect to such Monthly Period that pursuant to Section 4.06 are required to fund the Class A Required Amount, the Class B Required Amount or the Class C Required Amount for such Monthly Period plus (iii) any other amounts which pursuant to subsection 4.04(a) are to be treated as Available Principal Collections for such Monthly Period.

"Available Spread Account Amount" shall mean, with respect to any Distribution Date, the lesser of (a) the principal amount on deposit in the Spread Account on such date (before giving effect to any deposit to be made to the Spread Account on such date) and (b) the Required Spread Account Amount.

"Average Principal Receivables" shall mean, for any period, the sum of the Principal Receivables for each day in such period divided by the number of days in such period.

"Backup Servicer" shall mean the entity designated by the Servicer to be a backup servicer under the Transfer and Servicing Agreement pursuant to a notice provided to the Indenture Trustee.

"Backup Servicing Fee" shall mean the fee payable pursuant to a backup servicing agreement to be entered into by the Servicer, the Issuer, the Backup Servicer and the Indenture Trustee.

"Base Rate" shall mean, with respect to any Monthly Period, the annualized percentage equivalent of a fraction the numerator of which is the sum of (a) the Class A Monthly Interest, the Class B Monthly Interest and the Class C Monthly Interest for the related Distribution Date and (b) the Monthly Servicing Fee and the Monthly Backup Servicing Fee for the related Distribution Date, and the denominator of which is the product of the Series 2018-One Allocation Percentage and the aggregate amount of Principal Receivables as of the last day of the prior Monthly Period.

"Capped Program Expenses" shall mean, for any Distribution Date, the sum of an amount not to exceed $100,000 per year beginning on the Closing Date and ending on each anniversary thereof, equal to the Program Expenses owed to the Owner Trustee plus an amount not to exceed $100,000 per year beginning on the Closing Date and ending on each anniversary thereof, equal to the Program Expenses owed to the Indenture Trustee.

"Charge-Off Rate" shall mean, with respect to any Monthly Period, the annualized percentage equivalent of a fraction (a) the numerator of which is the aggregate outstanding principal balance of all Receivables that became Defaulted Receivables during such Monthly Period net of Recoveries and (b) the denominator of which is the aggregate amount of Principal Receivables as of the last day of the prior Monthly Period.

"Charge-Off Ratio" shall mean, with respect to any Monthly Period, the percentage equivalent of a fraction (a) the numerator of which is the aggregate outstanding principal balance of all Receivables that became Defaulted Receivables during such Monthly Period net of Recoveries and (b) the denominator of which is the aggregate amount of Principal Receivables as of the last day of the prior Monthly Period.

"Class A Additional Interest" shall have the meaning specified in subsection 4.02(a).

"Class A Global Note" shall mean, individually and collectively, a Class A Note in the form of a Temporary Regulation S Global Note, a Permanent Regulation S Global Note or a Rule 144A Global Note.

"Class A Initial Note Principal Balance" shall mean $139,900,000.00.

"Class A Interest Shortfall" shall have the meaning specified in subsection 4.02(a).

"Class A Monthly Interest" shall have the meaning specified in subsection 4.02(a).

"Class A Noteholder" shall mean the Person in whose name a Class A Note is registered in the Note Register.

"Class A Note Interest Rate" shall mean, for any Interest Period for the Class A Notes, a per annum rate of **[*****]**%.

"Class A Note Principal Balance" shall mean, on any date, the Class A Initial Note Principal Balance, minus the total amount of principal

payments made on the Class A Notes on or prior to such date.

"Class A Notes" shall mean any one of the Notes executed by the Issuer and authenticated by or on behalf of the Indenture Trustee, substantially in the form of Exhibit A-1, A-2 or A-3.

"Class A Required Amount" shall have the meaning specified in subsection 4.03(a).

"Class B Additional Interest" shall have the meaning specified in subsection 4.02(b).

"Class B Global Note" shall mean, individually and collectively, a Class B Note in the form of a Temporary Regulation S Global Note, a Permanent Regulation S Global Note or a Rule 144A Global Note.

"Class B Initial Note Principal Balance" shall mean $ 15,650,000.00.

"Class B Interest Shortfall" shall have the meaning specified in subsection 4.02(b).

"Class B Monthly Interest" shall have the meaning specified in subsection 4.02(b).

"Class B Noteholder" shall mean the Person in whose name a Class B Note is registered in the Note Register.

"Class B Note Interest Rate" shall mean, for any Interest Period for the Class B Notes, a per annum rate of **[*****]**%.

"Class B Note Principal Balance" shall mean, on any date, the Class B Initial Note Principal Balance, minus the total amount of principal payments made on the Class B Notes on or prior to such date.

"Class B Notes" shall mean any one of the Notes executed by the Issuer and authenticated by or on behalf of the Indenture Trustee, substantially in the form of Exhibit B-1, B-2, or B-3.

"Class B Required Amount" shall have the meaning specified in subsection 4.03(b).

"Class C Additional Interest" shall have the meaning specified in subsection 4.02(c).

"Class C Global Note" shall mean a Rule 144A Global Note.

"Class C Initial Note Principal Balance" shall mean $11,730,000.00.

"Class C Interest Shortfall" shall have the meaning specified in subsection 4.02(c).

"Class C Monthly Interest" shall have the meaning specified in subsection 4.02(c).

"Class C Noteholder" shall mean the Person in whose name a Class C Note is registered in the Note Register.

"Class C Note Interest Rate" shall mean, for any Interest Period for the Class C Notes, a per annum rate of **[*****]**%.

"Class C Note Principal Balance" shall mean, on any date, the Class C Initial Note Principal Balance, minus the total amount of principal payments made on the Class C Notes on or prior to such date.

"Class C Notes" shall mean any one of the Notes executed by the Issuer and authenticated by or on behalf of the Indenture Trustee, substantially in the form of Exhibit C-1, C-2 or C-3.

"Class C Required Amount" shall have the meaning specified in subsection 4.03(c).

"Closing Date" shall mean November 9, 2018.

"Controlled Redemption Payment Amount" shall mean, for any Distribution Date during the Controlled Redemption Period, an amount equal to the Controlled Redemption Target Amount for such Distribution Date plus any Controlled Redemption Target Amount previously owed but not distributed on a prior Distribution Date.

"Controlled Redemption Period" shall mean the period commencing on the close of business on October 1, 2020.

"Controlled Redemption Target Amount" shall mean, for any Distribution Date during the Controlled Redemption Period, an amount equal to one-eighteenth of the sum of the Class A Initial Note Principal Balance, the Class B Initial Note Principal Balance and the Class C Initial Note Principal Balance.

"Determination Date" shall mean the third Business Day preceding each Distribution Date.

"Distribution Compliance Period" shall mean, for each of the Class A Notes, the Class B Notes and the Class C Notes, the period from the Closing Date through and including the 40th day after the later of (a) the commencement of the offering of the Class A Notes and the Class B Notes, respectively, to Persons other than distributors in reliance upon Regulation S and (b) the Closing Date.

"Distribution Date" shall mean the fifteenth day of each calendar month, or if such fifteenth day is not a Business Day, the next succeeding Business Day; provided, that the first Distribution Date for 2018-One shall be December 17, 2018.

"DWAC" shall mean the DTC Deposit and Withdrawal at Custodian system.

"Early Redemption Event" shall mean any Early Redemption Event specified in Section 5.01 of the Indenture and any Early Redemption Event specified in Section 6.01 hereof.

"Early Redemption Period" shall mean the period commencing at the close of business on the Business Day immediately preceding the day on which an Early Redemption Event with respect to Series 2018-One is deemed to have occurred, and ending on the first to occur of (a) the payment in full of the Note Principal Balance or (b) the Stated Maturity Date.

"Excess Concentration Amount" shall have the meaning specified in subsection 10.06(a).

"Excess Spread Percentage" shall mean, with respect to any Monthly Period, the Gross Yield minus the Base Rate minus the Charge-Off Rate, in each case for such Monthly Period.

"FATCA" shall mean Sections 1471 through 1474 of the Code, as in effect on the date hereof (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations thereunder or official governmental interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"Fixed/Floating Allocation Percentage" shall mean, with respect to any day during a Monthly Period, the percentage equivalent (which percentage shall never exceed 100%) of a fraction, the numerator of which is (a) during the Revolving Period, the Series Adjusted Allocation Amount for Series 2018-One (or, in the case of the first Monthly Period, the Initial Note Principal Balance) plus the Series Adjusted Subordinated Transferor Amount, in each case as of the last day of the immediately preceding Monthly Period and (b) during the Redemption Period, the Series Adjusted Allocation Amount for Series 2018-One plus the Series Adjusted Subordinated Transferor Amount in each case as of the close of business on the date on which the Revolving Period shall have been terminated or been suspended, as the case may be, and the denominator of which is the product of (x) the greater of (A) the sum of (i) the total amount of Principal Receivables as of the last day of the immediately preceding Monthly Period (or with respect to the first Monthly Period, the total amount of Principal Receivables as of the Closing Date), (ii) the Special Funding Amount as of such last day (or with respect to the first Monthly Period, the Closing Date), and (iii) the amount of Collections of Principal Receivables on deposit in the Collection Account as of such last day (or with respect to the first Monthly Period, as of the Closing Date) and (B) the sum of the numerators used to determine the series allocation percentages with respect to Collections of Principal Receivables for all Series of Notes Outstanding on the date of determination, and (y) the Series 2018-One Allocation Percentage as of the last day of the immediately preceding Monthly Period; provided, however, that with respect to any Monthly Period in which one or more Reset Dates occurs, the Fixed/Floating Allocation Percentage shall be recalculated as provided above but as of such Reset Date for the period from and including such Reset Date to but excluding the earlier of the next such Reset Date, if any, and the last day of such Monthly Period; provided further, that the numerator in clause (b) above shall continue to be the Series Adjusted Allocation Amount for Series 2018-One plus the Series Adjusted Subordinated Transferor Amount in each case as of the close of business on the date on which the Revolving Period shall have terminated unless the Series 2018-One Notes are paid in full on such date.

"Floating Allocation Percentage" shall mean, with respect to any day during a Monthly Period, the percentage equivalent (which percentage shall never exceed 100%) of a fraction, the numerator of which is the Allocation Amount (or in the case of the first Monthly Period, the Initial Note Principal Balance) plus, with respect to the allocation of Collections of Finance Charge Receivables only, the Series Adjusted Subordinated Transferor Amount, in each case as of the last day of the immediately preceding Monthly Period and the denominator of which is the product of (x) the Series 2018-One Allocation Percentage with respect to such Monthly Period and (y) the greater of (A) the sum of (i) the total amount of Principal Receivables as of such day (or with respect to the first Monthly Period, the total amount of Principal Receivables on the Closing Date), (ii) the Special Funding Amount as of such last day (or with respect to the first Monthly Period, the Closing Date) and (iii) the amount of Collections of Principal Receivables on deposit in the Collection Account as of such last day (or with respect to the first Monthly Period, as of the Closing Date) and (B) the sum of the numerators used to determine the series allocation percentages with respect to Collections of Finance Charge Receivables for all Series of Notes Outstanding on the date of determination; provided, however, that with respect to any Monthly Period in which one or more Reset Dates occurs, the Floating Allocation Percentage shall be recalculated as provided above but as of such Reset Date, for the period from and after the date on which any such Reset Date occurs to but excluding the date, if any, that another such Reset Date occurs or, if no other Reset Date occurs during such Monthly Period, to and including the last day of such Monthly Period, as applicable.

"Gross Yield" shall mean, with respect to any Monthly Period, the annualized percentage equivalent of a fraction the numerator of which is the Collections of Finance Charge Collections for such Monthly Period and the denominator of which is the aggregate amount of Principal Receivables as of the last day of the prior Monthly Period.

"Indenture Trustee Fee" shall mean an annual fee payable to the Indenture Trustee in the amount of $15,000.

"Initial Note Principal Balance" shall mean $167,280,000.00.

"Interest Period" shall mean, with respect to any Distribution Date, the period from and including the Distribution Date immediately preceding such Distribution Date (or, in the case of the first Distribution Date, from and including the Closing Date) to but excluding such Distribution Date.

"Measurement Date" shall mean, for each Monthly Period, the Determination Date for such Monthly Period.

"Monthly Backup Servicing Fee" shall have the meaning specified in subsection 3.01(b).

"Monthly Interest" shall mean, with respect to any Distribution Date, the sum of the Class A Monthly Interest, the Class B Monthly Interest and the Class C Monthly Interest for such Distribution Date.

"Monthly Servicer Statement" shall have the meaning specified in subsection 5.02(a)(i).

"Monthly Servicing Fee" shall have the meaning specified in subsection 3.01(a).

"Non-U.S. Certificate" shall have the meaning specified in subsection 9.05(b).

"Note Principal Balance" shall mean, for any date of determination, the sum of the Class A Note Principal Balance, the Class B Note Principal Balance and the Class C Note Principal Balance.

"Noteholder FATCA Information" shall have the meaning specified in Section 9.03.

"Noteholder Tax Identification Information" shall have the meaning specified in Section 9.03.

"Optional Redemption" shall have the meaning specified in subsection 4.09(a).

"Optional Redemption Date" shall have the meaning specified in subsection 4.09(a).

"Optional Redemption Notice" shall have the meaning specified in subsection 4.09(a).

"Owner Trustee Fee" shall mean an annual fee payable to the Owner Trustee in the amount of $5,500.

"Payment Date" shall mean, with respect to Series 2018-One, a Distribution Date.

"Permanent Regulation S Global Note" shall mean a permanent Regulation S Class A global note and a permanent Regulation S Class B global note in the form of Exhibit A-3, Exhibit A-2C and Exhibit B-3, respectively.

"Principal Payment Rate" shall mean, with respect to any Monthly Period, the percentage equivalent of a fraction the numerator of which is the Collections of Principal Receivables for such Monthly Period and the denominator of which is the aggregate amount of Principal Receivables as of the last day of the prior Monthly Period.

"Program Expenses" shall mean an amount equal to one-twelfth the product of (i) the Floating Allocation Percentage, (ii) the Series 2018-One Allocation Percentage and (iii) indemnification amounts owed to the Indenture Trustee and the Owner Trustee pursuant to the Transaction Documents.

"Program Fees" shall mean, with respect to each Distribution Date occurring in December commencing with the December 2018 Distribution Date, an amount equal to the Indenture Trustee Fee and the Owner Trustee Fee.

"QIBs" shall mean qualified institutional buyers as defined in Rule 144A.

"Rating Agency" shall mean KBRA.

"Rating Agency Condition" shall mean, with respect to any action, that the Rating Agency shall have confirmed in writing to the Transferor, the Servicer, the Owner Trustee and the Indenture Trustee that such action will not result in a reduction or withdrawal of its then existing rating on any outstanding Class A Notes, Class B Notes or Class C Notes.

"Reallocated Principal Collections" shall mean, with respect to any Distribution Date, an amount equal to the lesser of (I) the product of (a) the Series 2018-One Allocable Principal Collections deposited in the Collection Account for the related Monthly Period, (b) the Fixed/Floating Allocation Percentage for the related Monthly Period and (c) 15.5%, and (II) the greater of (x) the sum of the Class B Note Principal Balance and the Class C Note Principal Balance (prior to any distributions on such Distribution Date), *minus* the *excess*, if any, of the total amount of Reduction Amounts for all prior Distribution Dates and the Reallocated Principal Collections that under subsections 4.06(b) and (c) were used to fund the Class A Required Amount or the Class B Required Amount on all prior Distribution Dates *over* such Reduction Amounts and Reallocated Principal Collections reimbursed pursuant to subsection 4.04(a)(vi)(A) prior to such date and (y) zero.

Redemption Amount" shall mean, with respect to any Distribution Date, after giving effect to any deposits and distributions otherwise to be made on such Distribution Date, the sum of (i) the Class A Note Principal Balance plus the Class B Note Principal Balance plus the Class C Note Principal Balance plus (ii) Series 2018-One Monthly Fees for such Distribution Date.

"Redemption Period" shall mean, with respect to Series 2018-One, the Controlled Redemption Period or an Early Redemption Period.

"Reduction Amount" shall have the meaning specified in Section 4.05.

"Regulation S" shall mean Regulation S promulgated under the Securities Act.

"Regulation S Certificate" shall have the meaning specified in subsection 9.01(c).

"Regulation S Global Notes" shall mean the Temporary Regulation S Global Notes and the Permanent Regulation S Global Notes.

"Release Date" shall have the meaning specified in subsection 9.01(c).

"Required Spread Account Amount" shall mean, for any Monthly Period, an amount equal to the product of (i) the Required Spread Account Percentage in effect on such date (ii) the Series 2018-One Allocation Percentage and (iii) (a) during the Revolving Period, the aggregate amount of Principal Receivables at the commencement of such Monthly Period and (b) otherwise, the aggregate amount of Principal Receivables on the last day of the Revolving Period.

"Required Spread Account Percentage" shall mean, as of any date of determination, if the most recent Three-Month Excess Spread Percentage (calculated as of the Determination Date immediately preceding such date, unless such date is a Determination Date, in which case calculated as of such Determination Date) is greater than or equal to the percentage set forth in the left-hand column of the table below, and less than the percentage set forth in

the middle column of the table below, an amount equal to the percentage set forth next to such percentages in the right-hand column of the table below:

Three-Month Excess Spread Percentage		
Greater Than Or Equal To	Less Than	Required Spread Account Percentage
[*****]%		[*****]%
[*****]%	[*****]%	[*****]%
[*****]%	[*****]%	[*****]%
	[*****]%	[*****]%

"Required Subordinate Transferor Percentage" shall mean, with respect to any day during a Monthly Period, the percentage equivalent (which percentage shall never exceed 100%) of a fraction, the numerator of which is the Series Adjusted Subordinated Transferor Amount as of the last day of the preceding Monthly Period (or in the case of the first Monthly Period, the Series Adjusted Subordinated Transferor Amount as of the Closing Date) and the denominator of which is the product of (x) the Series 2018-One Allocation Percentage with respect to such Monthly Period and (y) the greater of (A) the sum of (i) the total amount of Principal Receivables as of such day (or with respect to the first Monthly Period, the total amount of Principal Receivables on the Closing Date), (ii) the Special Funding Amount as of such last day (or with respect to the first Monthly Period, the Closing Date) and (iii) the amount of Collections of Principal Receivables on deposit in the Collection Account as of such last day (or with respect to the first Monthly Period, as of the Closing Date) and (B) the sum of the numerators used to determine the series allocation percentages with respect to Collections of Principal Receivables for all Series of Notes Outstanding; provided, however, that with respect to any Monthly Period in which one or more Reset Dates occurs, the Required Subordinate Transferor Percentage shall be recalculated as provided above but as of such Reset Date, for the period from and after the date on which any such Reset Date occurs to but excluding the date, if any, that another such Reset Date occurs or, if no other Reset Date occurs during such Monthly Period, to and including the last day of such Monthly Period, as applicable.

"Reset Date" shall mean each of (a) an Addition Cut-Off Date, (b) the date of any increase or decrease (other than regularly scheduled redemptions or early redemptions but including any optional redemption or limited redemption in the principal balance of the Notes of any Series) in the note principal balance or allocation amount for another variable funding Series and (c) any date on which a new Series is issued.

"Revolving Period" shall mean the period beginning at the close of business on the Closing Date and ending on the earlier of (a) the close of business on the day immediately preceding the day the Controlled Redemption Period commences and (b) the close of business on the day immediately preceding the day the Early Redemption Period commences.

"Rule 144A" shall mean Rule 144A promulgated under the Securities Act.

"Rule 144A Global Note" shall mean a Rule 144A Class A, Class B or Class C global note in the Form of Exhibit A-1, B-1 or C-1.

"Scheduled Final Payment Date" shall mean the April 2022 Distribution Date.

"Series 2018-One" shall mean the Series of Notes the terms of which are specified in this Supplement.

"Series 2018-One Allocable Defaulted Amount" shall mean the Series Allocable Defaulted Amount with respect to Series 2018-One.

"Series 2018-One Allocable Finance Charge Collections" shall mean the Series Allocable Finance Charge Collections with respect to Series 2018-One.

"Series 2018-One Allocable Principal Collections" shall mean the Series Allocable Principal Collections with respect to Series 2018-One.

"Series 2018-One Allocation Percentage" shall mean the Series Allocation Percentage with respect to Series 2018-One.

"Series 2018-One Distribution Account" shall have the meaning set forth in subsection 4.07(a).

"Series 2018-One Monthly Fees" shall mean, with respect to any Distribution Date, the amounts determined pursuant to subsection 4.04(a)(i) and subsection 4.04(a)(ix)

"Series 2018-One Monthly Interest" shall mean the amounts determined pursuant to subsections 4.02(a) through (c).

"Series 2018-One Note" shall mean a Class A Note, a Class B Note or a Class C Note.

"Series 2018-One Noteholder" shall mean a Class A Noteholder, a Class B Noteholder or a Class C Noteholder.

"Series Adjusted Allocation Amount" shall have the meaning specified in the Transfer and Servicing Agreement.

"Series Adjusted Subordinated Transferor Amount" shall mean, as of any date, an amount equal to the lesser of (I) (x) the Series Required Transferor Amount minus (y) the excess, if any, of the total amount of Transferor Reduction Amounts for all prior Distribution Dates and the amounts that under subsection 4.06(a) were used to fund the Class A Required Amount, the Class B Required Amount or the Class C Required Amount on all prior Distribution Dates over amounts reimbursed pursuant to subsection 4.04(a)(vi)(B) prior to such date and (II) the product of the Adjusted Transferor Amount and the Series 2018-One Allocation Percentage as of the last day of the prior Monthly Period.

"Series Allocation Amount" shall mean, for Series 2018-One, the Initial Note Principal Balance minus the total amount of any payments of principal paid on the Series 2018-One Notes at any time other than during an Early Redemption Period.

"Series Allocation Percentage" shall have the meaning specified in the Transfer and Servicing Agreement.

"Series Default Amount" shall mean, with respect to any Monthly Period, an amount equal to the product of (a) the Series 2018-One Allocable Defaulted Amount for the related Monthly Period and (b) the Floating Allocation Percentage for such Monthly Period.

"Series Required Transferor Amount" shall mean, with respect to any date of determination, an amount equal to (a)(i) the sum of the Class A Note Principal Balance plus the Class B Note Principal Balance plus the Class C Note Principal Note Balance divided by (ii) 95.0% minus (b) the sum of the Class A Note Principal Balance plus the Class B Note Principal Balance plus the Class C Note Principal Note Balance

"Servicing Fee Rate" shall mean **[*****]**% per annum

"Special Payment Date" shall mean each Distribution Date with respect to any Redemption Period.

"Spread Account" shall have the meaning specified in subsection 4.08(a).

"Spread Account Draw Amount" shall have the meaning specified in subsection 4.08(c).

"Spread Account Surplus" shall mean, as of any date of determination, the amount, if any, by which the amount on deposit in the Spread Account exceeds the Required Spread Account Amount.

"Stated Maturity Date" shall mean the November 2023 Distribution Date.

"Transferee Letter" shall have the meaning specified in Section 9.04.

"Temporary Regulation S Global Note" shall mean a temporary Regulation S Class A global note and a temporary Regulation S Class B global note in the form of Exhibit A-2 and Exhibit B-2, respectively.

"Three-Month Charge-Off Ratio" shall mean, for any Monthly Period on and after the third full Monthly Period after the Closing Date, the average of the Charge-Off Ratios for such Monthly Period and the two immediately preceding Monthly Periods.

"Three-Month Excess Spread Percentage" shall mean, for any Monthly Period on and after the third full Monthly Period after the Closing Date, the average of the Excess Spread Percentages for such Monthly Period and the two immediately preceding Monthly Periods.

"Three-Month Principal Payment Rate" shall mean, for any Monthly Period on and after the third full Monthly Period after the Closing Date, the average of the Principal Payment Rate for such Monthly Period and the two immediately preceding Monthly Periods.

"Transferor Available Principal Collections" shall mean, with respect to any Distribution Date, an amount equal to the lesser of (i) the product of (A) the Series 2018-One Allocable Principal Collections deposited in the Collection Account for the related Monthly Period, (B) Fixed/Floating Allocation Percentage for the related Monthly Period and (C) the Required Subordinate Transferor Percentage, and (ii) the greater of (A) the Series Adjusted Subordinated Transferor Amount and (B) zero.

"Transferor Percentage" shall mean 100% minus (a) the Floating Allocation Percentage, when used as of any date with respect to Defaulted Receivables or with respect to Collections of Finance Charge Receivables or (b) the Fixed/Floating Allocation Percentage, when used as of any date with respect to Collections of Principal Receivables.

"Transferor Reduction Amounts" shall have the meaning specified in Section 4.05.

(b) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Supplement shall refer to this Supplement as a whole and not to any particular provision of this Supplement; references to any Article, subsection, Section or Exhibit are references to Articles, subsections, Sections and Exhibits in or to this Supplement unless otherwise specified; and the term "including" means "including without limitation."

ARTICLE III

FEES

Section 3.01. Servicing Compensation; Backup Servicing Fee.

(a) Servicing Fee. The share of the Servicing Fee allocable to the Series 2018-One Noteholders with respect to any Distribution Date (the "Monthly Servicing Fee") shall mean an amount equal to one-twelfth of the product of (1) the Floating Allocation Percentage, (2) the Series 2018-One Allocation Percentage, (3) the Servicing Fee Rate and (4) the Average Principal Receivables for such Monthly Period; provided, however, in the case of the first Distribution Date the Servicing Fee allocable to the Series 2018-One Noteholders shall include an amount pro-rated for the period from the Closing Date. The remainder of the Servicing Fee, if any, shall be paid by the Issuer or the holders of the Transferor Certificate and the Noteholders of other Series (as provided in the Transfer and Servicing Agreement and the related Supplements) and in no event shall the Indenture Trustee or the Series 2018-One Noteholders be liable for the share of the Servicing Fee to be paid by the Issuer or the holders of the Transferor Certificate or the Noteholders of any other Series.

(b) Backup Servicing Fee. The share of the Backup Servicing Fee allocable to the Series 2018-One Noteholders with respect to any Distribution Date (the "Monthly Backup Servicing Fee") shall equal $**[*****]**. The remainder of the Backup Servicing Fee, if any, shall be paid by the Issuer or the holders of the Transferor Certificate and the Noteholders of other Series (as provided in the Transfer and Servicing Agreement and the related Supplements) and in no event shall the Indenture Trustee or the Series 2018-One Noteholders be liable for the share of the Backup Servicing Fee to be paid by the Issuer or the holders of the Transferor Certificate or the Noteholders of any other Series.

ARTICLE IV

RIGHTS OF SERIES 2018-ONE NOTEHOLDERS AND
ALLOCATION AND APPLICATION OF COLLECTIONS

Section 4.01. Collections and Allocations.

(a) Allocations. Collections of Finance Charge Receivables and Principal Receivables and Defaulted Receivables allocated to Series 2018-One pursuant to Section 4.01 of the Transfer and Servicing Agreement shall be allocated and distributed as set forth in this Article.

(b) Allocations of Collections to the Issuer. The Servicer shall on any Business Day requested by the Issuer, withdraw from the Collection Account and pay to the Issuer for application as provided in the Trust Agreement the following amounts:

(i) an amount equal to the Transferor Percentage for the related Monthly Period of Series 2018-One Allocable Finance Charge Collections deposited in the Collection Account but only if the Adjusted Transferor Amount (after giving effect to all Principal Receivables transferred to the Issuer on such day) is greater than the Required Transferor Amount and otherwise shall be deposited in the Special Funding Account; and

(ii) an amount equal to the Transferor Percentage for the related Monthly Period of Series 2018-One Allocable Principal Collections deposited in the Collection Account but only if the Adjusted Transferor Amount (after giving effect to all Principal Receivables transferred to the Issuer on such day) is greater than the Required Transferor Amount and otherwise shall be deposited in the Special Funding Account.

The withdrawals to be made from the Collection Account pursuant to this subsection 4.01(b) do not apply to deposits into the Collection Account that do not represent Collections, including payment for the reassignment of the Receivables pursuant to Section 2.04(c) or Section 2.05 of the Transfer and Servicing Agreement, payment of the purchase price for the Series 2018-One Notes pursuant to Section 8.01 of the Transfer and Servicing Agreement, payment of the Redemption Amount for the Series 2018-One Notes pursuant to Section 7.01 or Section 8.01 of this Supplement and proceeds from the sale, disposition or liquidation of Receivables pursuant to Section 5.05 of the Indenture.

(c) Allocations of Collections to the Series 2018-One Noteholders.

(i) Allocations of Finance Charge Receivables. The Servicer shall, prior to the close of business on any Deposit Date, allocate to Series 2018-One and retain in the Collection Account for application as provided herein an amount equal to the product of (A) the Floating Allocation Percentage, (B) the Series 2018-One Allocation Percentage, and (C) the aggregate amount of Collections of Finance Charge Receivables received by the Servicer and deposited to the Collection Account with respect to such Deposit Date provided, however, that after the date on which an amount of collections of Finance Charge Receivables equal to the sum of (y) the sum of the amounts specified in subsections 4.04(a)(i) through (iv) plus (z) the product of 1.5 times the Series Default Amount for the prior Monthly Period has been deposited into the Collection Account and allocated to the Series 2018-One Noteholders, the balance of any such allocated amount may be withdrawn from the Collection Account and paid to the Issuer for application pursuant to the Trust Agreement solely in order to purchase new Receivables but only if (i) the Adjusted Transferor Amount is greater than the Required Transferor Amount (after giving effect to all Principal Receivables transferred to the Issuer on such day) and (ii) the Required Spread Account Amount is zero and otherwise shall be deposited in the Special Funding Account.

(ii) Allocations of Principal Receivables. The Servicer shall allocate to Series 2018-One the following amounts as set forth below:

(x) Allocations During the Revolving Period. With respect to any Deposit Date during the Revolving Period, an amount equal to the product of (I) the Fixed/Floating Allocation Percentage, (II) the Series 2018-One Allocation Percentage and (III) the aggregate amount of Collections of Principal Receivables deposited in the Collection Account with respect to such Deposit Date shall be allocated to the Series 2018-One Noteholders and retained in the Collection Account until applied as provided herein; provided, however, that any such amount may be withdrawn from the Collection Account and paid to the Issuer for application pursuant to the Trust Agreement, but only if the Adjusted Transferor Amount on such Deposit Date is greater than the Required Transferor Amount (after giving effect to all Principal Receivables transferred to the Issuer on such day) and otherwise shall be deposited in the Special Funding Account.

(y) Allocations During the Controlled Redemption Period. During the Controlled Redemption Period, an amount equal to the product of (I) the Fixed/Floating Allocation Percentage and (II) the Series 2018-One Allocation Percentage and (III) the aggregate amount of Collections of Principal Receivables deposited in the Collection Account on such Deposit Date (such product for any such date, a "Percentage Allocation") shall be allocated to the Series 2018-One Noteholders and retained in the Collection Account until applied as provided herein; provided, however, that if (i) the sum of such Percentage Allocation and all preceding Percentage Allocations for the same Monthly Period exceeds the Controlled Redemption Payment Amount for the related Distribution Date and (ii) the Required Spread Account Amount is zero, then such excess shall not be treated as a Percentage Allocation and shall be paid to the Issuer for application pursuant to the Trust Agreement, but only if the Adjusted Transferor Amount on such Deposit Date is greater than the Required Transferor Amount (after giving effect to all Principal Receivables transferred to the Issuer on such day) and otherwise shall be deposited in the Special Funding Account.

(z) Allocations During the Early Redemption Period. With respect to any Deposit Date during a Redemption Period, an amount equal to the product of (I) the Fixed/Floating Allocation Percentage and (II) the Series 2018-One Allocation Percentage and (III) the aggregate amount of Collections of Principal Receivables deposited to the Collection Account with respect to such Deposit Date shall be allocated to

the Series 2018-One Noteholders and retained in the Collection Account until applied as provided herein; provided, however, that after the date on which an amount of such Collections equal to the Note Principal Balance has been deposited into the Collection Account and allocated to the Series 2018-One Noteholders, any amounts in excess of such amounts shall be paid to the Issuer for application pursuant to the Trust Agreement, but only if the Adjusted Transferor Amount on such date is greater than the Required Transferor Amount (after giving effect to all Principal Receivables transferred to the Issuer on such day) and otherwise shall be deposited in the Special Funding Account.

Section 4.02. Determination of Monthly Interest.

(a) The amount of monthly interest ("Class A Monthly Interest") distributable from the Collection Account with respect to the Class A Notes on any Distribution Date shall be an amount

equal to the product of (i) (A) 30/360, times (B) the Class A Note Interest Rate with respect to the immediately preceding Interest Period and (ii) the Class A Note Principal Balance as of the close of business on the last day of the immediately preceding Monthly Period; provided, however, with respect to the December 2018 Distribution Date, the Class A Monthly Interest shall be $775,046.00.

On the Determination Date preceding each Distribution Date, the Servicer shall determine the excess, if any (the "Class A Interest Shortfall"), of (x) the Class A Monthly Interest for such Distribution Date over (y) the aggregate amount of funds allocated and available to pay such Class A Monthly Interest on such Distribution Date. If the Class A Interest Shortfall with respect to any Distribution Date is greater than zero, on each subsequent Distribution Date until such Class A Interest Shortfall is fully paid, an additional amount ("Class A Additional Interest") equal to the product of (i) (A) 30/360, times (B) the Class A Note Interest Rate and (ii) such Class A Interest Shortfall (or the portion thereof which has not been paid on the Class A Notes) shall be payable as provided herein with respect to the Class A Notes. Notwithstanding anything to the contrary herein, Class A Additional Interest shall be payable or distributed on the Class A Notes only to the extent permitted by applicable law.

(b) The amount of monthly interest ("Class B Monthly Interest") distributable from the Collection Account with respect to the Class B Notes on any Distribution Date shall be an amount

equal to the product of (i) (A) 30/360, times (B) the Class B Note Interest Rate with respect to the immediately preceding Interest Period and (ii) the Class B Note Principal Balance as of the close of business on the last day of the immediately preceding Monthly Period; provided, however, with respect to the December 2018 Distribution Date, the Class B Monthly Interest shall be $98,125.50.

On the Determination Date preceding each Distribution Date, the Servicer shall determine the excess, if any (the "Class B Interest Shortfall"), of (x) the Class B Monthly Interest for such Distribution Date over (y) the aggregate amount of funds allocated and available to pay such Class B Monthly Interest on such Distribution Date. If the Class B Interest Shortfall with respect to any Distribution Date is greater than zero, on each subsequent Distribution Date until such Class B Interest Shortfall is fully paid, an additional amount ("Class B Additional Interest") equal to the product of (i) (A) 30/360, times (B) the Class B Note Interest Rate and (ii) such Class B Interest Shortfall (or the portion thereof which has not been paid on the Class B Notes) shall be payable as provided herein with respect to the Class B Notes. Notwithstanding anything to the contrary herein, Class B Additional Interest shall be payable or distributed on the Class B Notes only to the extent permitted by applicable law.

(c) The amount of monthly interest ("Class C Monthly Interest") distributable from the Collection Account with respect to the Class C Notes on any Distribution Date shall be an amount

equal to the product of (i) (A) 30/360, times (B) the Class C Note Interest Rate with respect to the immediately preceding Interest Period and (ii) the Class C Note Principal Balance as of the close of business on the last day of the immediately preceding Monthly Period; provided, however, with respect to the December 2018 Distribution Date, the Class C Monthly Interest shall be $90,672.90.

On the Determination Date preceding each Distribution Date, the Servicer shall determine the excess, if any (the "Class C Interest Shortfall"), of (x) the Class C Monthly Interest for such Distribution Date over (y) the aggregate amount of funds allocated and available to pay such Class C Monthly Interest on such Distribution Date. If the Class C Interest Shortfall with respect to any Distribution Date is greater than zero, on each subsequent Distribution Date until such Class C Interest Shortfall is fully paid, an additional amount ("Class C Additional Interest") equal to the product of (i) (A) 30/360, times (B) the Class C Note Interest Rate and (ii) such Class C Interest Shortfall (or the portion thereof which has not been paid on the Class C Notes) shall be payable as provided herein with respect to the Class C Notes. Notwithstanding anything to the contrary herein, Class C Additional Interest shall be payable or distributed on the Class C Notes only to the extent permitted by applicable law.

Section 4.03. Required Amounts.

(a) With respect to each Distribution Date, on the related Determination Date, the Servicer shall determine the amount (the "Class A Required Amount"), if any, by which (x) the amount required pursuant to subsections 4.04(a)(i) and 4.04(a)(ii) for such Distribution Date exceeds (y) the Available Funds for such Distribution Date available to fund such amount. In the event that the Class A Required Amount for such Distribution Date is greater than zero, the Servicer shall give written notice to the Indenture Trustee of such Class A Required Amount on the date of computation.

(b) With respect to each Distribution Date, on the related Determination Date, the Servicer shall determine the amount (the "Class B Required Amount"), if any, by which (x) the amount required pursuant to subsection 4.04(a)(iii) for such Distribution Date exceeds (y) the balance of Available Funds in each case for such Distribution Date available to fund such amount after application of the amounts required pursuant to subsections 4.04(a)(i) and 4.04(a)(ii). In the event that the Class B Required Amount for such Distribution Date is greater than zero, the Servicer shall give written notice to the Indenture Trustee of such Class B Required Amount on the date of computation.

(c) With respect to each Distribution Date, on the related Determination Date, the Servicer shall determine the amount (the "Class C Required Amount"), if any, by which (x) the amount required pursuant to subsection 4.04(a)(iv) for such Distribution Date exceeds (y) the balance of Available Funds in each case for such Distribution Date available to fund such amount after application of the amounts required pursuant to subsections 4.04(a)(i) through 4.04(a)(iii). In the event that the Class C Required Amount for such Distribution Date is greater than zero, the Servicer shall give written notice to the Indenture Trustee of such Class C Required Amount on the date of computation.

Section 4.04. Application of Available Funds and Available Principal Collections. The Servicer shall cause the Indenture Trustee to apply by written instruction to the Indenture Trustee pursuant to the Monthly Servicer Statement, on each Distribution Date, Available Funds and Available Principal Collections on deposit in the Collection Account with respect to such Distribution Date to make the following distributions:

(a) On each Distribution Date, an amount equal to the Available Funds with respect to such Distribution Date will be distributed in the following priority:

(i) an amount equal to the sum of the Monthly Servicing Fee, the Program Fees, the Capped Program Expenses and the Monthly Backup Servicing Fee, if any, for the related Distribution Date plus the sum of the amount of any Monthly Servicing Fee, the Program Fees, the Capped Program Expenses and any Monthly Backup Servicing Fee previously due but not distributed to the Servicer, the Owner Trustee, the Indenture Trustee or the Backup Servicer, if any respectively, on a prior Distribution Date, shall be distributed pro rata to the Servicer, the Owner Trustee, the Indenture Trustee and the Backup Servicer, if any;

(ii) an amount equal to Class A Monthly Interest for the related Distribution Date plus an amount equal to any Class A Interest Shortfall not distributed on a prior Distribution Date plus the amount of any Class A Additional Interest for such Distribution Date plus any Class A Additional Interest previously due but not distributed to Class A Noteholders on a prior Distribution Date, shall be distributed to the Class A Noteholders;

(iii) an amount equal to Class B Monthly Interest for the related Distribution Date plus an amount equal to any Class B Interest Shortfall not distributed on a prior Distribution Date plus the amount of any Class B Additional Interest for such Distribution Date plus any Class B Additional Interest previously due but not distributed to Class B Noteholders on a prior Distribution Date, shall be distributed to the Class B

Noteholders;

(iv) an amount equal to Class C Monthly Interest for the related Distribution Date plus an amount equal to any Class C Interest Shortfall not distributed on a prior Distribution Date plus the amount of any Class C Additional Interest for such Distribution Date plus any Class C Additional Interest previously due but not distributed to Class C Noteholders on a prior Distribution Date, shall be distributed to the Class C Noteholders;

(v) an amount equal to the Series Default Amount for such Distribution Date shall be treated as a portion of Available Principal Collections for such Distribution Date;

(vi) (A) an amount equal to the aggregate amount of Reduction Amounts plus amounts that under subsections 4.06(b) and (c) were used to fund the Class A Required Amount or the Class B Required Amount which have not been previously reimbursed shall be treated as a portion of Available Principal Collections for such Distribution Date;

(B) an amount equal to the aggregate amount of Transferor Reduction Amounts plus amounts that under subsection 4.06(a) were used to fund the Class A Required Amount, the Class B Required Amount or the Class C Required Amount which have not been previously reimbursed shall be treated as a portion of Available Principal Collections for such Distribution Date;

(vii) on each Distribution Date prior to the date on which the Spread Account terminates pursuant to subsection 4.08(f), an amount up to the excess, if any, of the Required Spread Account Amount for such Distribution Date over the Available Spread Account Amount for such Distribution Date shall be deposited into the Spread Account;

(viii) if an Early Redemption Event has occurred on or prior to such Distribution Date, an amount up to the Class A Note Principal Balance plus the Class B Note Principal Balance plus the Class C Note Principal Balance on such Distribution Date shall be treated as a portion of Available Principal Collections for such Distribution Date;

(ix) an amount equal to the Program Expenses for such Distribution Date not paid in clause (i) above, plus the amount of any Program Expenses previously due but not distributed to the Owner Trustee or Indenture Trustee on a prior Distribution Date, shall be distributed pro rata to the Owner Trustee and the Indenture Trustee;

(x) the balance of such Available Funds shall be distributed to the Issuer and applied in accordance with the Trust Agreement.

(b) On each Distribution Date with respect to the Revolving Period, an amount equal to the Available Principal Collections deposited in the Collection Account for the related Monthly Period shall be distributed to the Issuer and applied in accordance with the Trust Agreement.

(c) On each Distribution Date with respect to a Controlled Redemption Period commencing on the November 2020 Distribution Date, an amount equal to the Controlled Redemption Payment Amount deposited in the Collection Account for the related Monthly Period shall be distributed in the following order of priority:

(i) an amount, to the extent available, equal to the Class A Note Principal Balance shall be distributed to the Class A Noteholders;

(ii) for each Distribution Date beginning on the Distribution Date on which the Class A Notes have been paid in full, an amount, to the extent available, equal to the Class B Note Principal Balance shall be distributed to the Class B Noteholders;

(iii) for each Distribution Date beginning on the Distribution Date on which the Class B Notes have been paid in full, an amount, to the extent available, equal to the Class C Note Principal Balance shall be distributed to the Class C Noteholders; and

(iv) for each Distribution Date beginning on the Distribution Date on which the Class C Notes are paid in full, an amount equal to the balance, if any, of such Available Principal Collections shall be distributed to the Issuer and applied in accordance with the Trust Agreement.

(d) On each Distribution Date with respect to an Early Redemption Period, an amount equal to the Available Principal Collections deposited in the Collection Account for the related Monthly Period shall be distributed in the following order of priority:

(i) an amount, to the extent available, equal to the Class A Note Principal Balance shall be distributed to the Class A Noteholders;

(ii) for each Distribution Date beginning on the Distribution Date on which the Class A Notes have been paid in full, an amount, to the extent available, equal to the Class B Note Principal Balance shall be distributed to the Class B Noteholders;

(iii) for each Distribution Date beginning on the Distribution Date on which the Class B Notes have been paid in full, an amount, to the extent available, equal to the Class C Note Principal Balance shall be distributed to the Class C Noteholders;

(iv) for each Distribution Date beginning on the Distribution Date on which the Class C Notes are paid in full, an amount equal to the balance, if any, of such Available Principal Collections shall be distributed to the Issuer and applied in accordance with the Trust Agreement.

Section 4.05. Defaulted Amounts; Reduction Amounts.

On each Determination Date, the Servicer shall calculate the Series Default Amount for the related Distribution Date. If, on any Distribution Date, the Series Default Amount for the related Monthly Period exceeds the Available Funds allocated and available for that purpose pursuant to subsection 4.04(a)(v) for such Distribution Date,

(a) first, the Series Adjusted Subordinated Transferor Amount (after giving effect to any reductions for Transferor Available Principal Collections that under subsection 4.06(a) were used to fund the Class A Required Amount, the Class B Required Amount or the Class C Required Amount, on such Distribution Date), will be reduced, subject to the succeeding sentence, by the amount of such excess, but not by more than the Series Default Amount for such Distribution Date (a "Transferor Reduction Amount"). In the event that such reduction would cause the Series Adjusted Subordinated Transferor Amount to be a negative number, the Series Adjusted Subordinated Transferor Amount shall be reduced to zero. Transferor Reduction Amounts shall thereafter be reimbursed and the Series Adjusted Subordinated Transferor Amount increased (but not by an amount in excess of the aggregate unreimbursed Transferor Reduction Amounts) on any Distribution Date by the amount of Available Finance Charge Collections allocated and available for that purpose pursuant to subsection 4.04(a)(vi)(B),

(b) second, in the event, the Series Adjusted Subordinated Transferor Amount has been reduced to zero in accordance with clause (a) above, the Allocation Amount (after giving effect to any reductions for Reallocated Principal Collections that under subsections 4.06(b) and (c) were used to fund the Class A Required Amount or the Class B Required Amount on such Distribution Date), will be reduced, subject to the succeeding sentence, by the amount of such excess, but not by more than the Series Default Amount for such Distribution Date (a "Reduction Amount"). In the event that such reduction would cause the Allocation Amount to be a negative number, the Allocation Amount shall be reduced to zero. Reduction Amounts shall thereafter be reimbursed and the Allocation Amount increased (but not by an amount in excess of the aggregate unreimbursed Reduction Amounts) on any Distribution Date by the amount of

Available Finance Charge Collections allocated and available for that purpose pursuant to subsection 4.04(a)(vi)(A).

Section 4.06. Reallocated Principal Collections.

(a) On each Distribution Date, prior to the application of Reallocated Principal Collections in accordance with subsections (b) and (c) below, the Servicer shall direct the Indenture Trustee to apply by written instruction to the Indenture Trustee pursuant to the related Monthly Servicer Statement, Transferor Available Principal Collections with respect to such Distribution Date, to fund, in the following order of priority, the Class A Required Amount, the Class B Required Amount or the Class C Required Amount. On each Distribution Date, the Series Adjusted Subordinated Transferor Amount shall be reduced by the amount of Transferor Available Principal Collections used to fund the Class A Required Amount, the Class B Required Amount or the Class C Required Amount for such Distribution Date, but in any event the Series Adjusted Subordinated Transferor Amount shall not be reduced by operation of this subsection 4.06(a) to an amount less than zero.

(b) On each Distribution Date, the Servicer shall direct the Indenture Trustee to apply by written instruction to the Indenture Trustee pursuant to the related Monthly Servicer Statement, Reallocated Principal Collections with respect to such Distribution Date to fund the excess, if any, of the Class A Required Amount over the amount funded in accordance with subsection 4.06(a). On each Distribution Date, the Allocation Amount shall be reduced by the amount of Reallocated Principal Collections used to fund the Class A Required Amount for such Distribution Date, but in any event the Allocation Amount shall not be reduced by operation of this subsection 4.06(b) to an amount less than the Class A Note Principal Balance.

(c) On each Distribution Date, the Servicer shall direct the Indenture Trustee to apply by written instruction to the Indenture Trustee pursuant to the Monthly Servicer Statement, Reallocated Principal Collections with respect to such Distribution Date remaining after application in accordance with subsection 4.06(b), to fund the excess, if any, of the Class B Required Amount over the amount funded in accordance with subsection 4.06(a). On each Distribution Date, the Allocation Amount shall be reduced by the amount of Reallocated Principal Collections used to fund the Class B Required Amount for such Distribution Date, but in any event the Allocation Amount shall not be reduced by operation of this subsection 4.06(c) to an amount less than the sum of the Class A Note Principal Balance and the Class B Note Principal Balance.

Section 4.07. Series 2018-One Distribution Account.

(a) The Servicer shall establish and maintain, in the name of the Indenture Trustee, for the benefit of the Series 2018-One Noteholders, a Series Account (the "Series 2018-One Distribution Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Series 2018-One Noteholders. The Series 2018-One Distribution Account shall be established and maintained with the Paying Agent on behalf of and in the name of the Indenture Trustee. The Indenture Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Series 2018-One Distribution Account and in all proceeds thereof. The Series 2018-One Distribution Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Series 2018-One Noteholders. Funds on deposit in the Series 2018-One Distribution Account shall not be subject to investment. If at any time the Series 2018-One Distribution Account ceases to be an Eligible Deposit Account, the Indenture Trustee (or the Servicer on its behalf) shall within 10 Business Days (or such longer period, not to exceed 30 calendar days, as to which the Series 2018-One Noteholders shall consent) establish a new Series 2018-One Distribution Account meeting the conditions specified above as an Eligible Deposit Account, and shall transfer any cash or any investments to such new Series 2018-One Distribution Account.

(b) On each Distribution Date, the Indenture Trustee, solely in accordance with the Monthly Servicer Statement, shall withdraw from the Collection Account and deposit into the Series 2018-One Distribution Account Collections of Finance Charge Receivables and Principal Receivables allocated to Series 2018-One on such Distribution Date for application pursuant to Section 4.04.

Section 4.08. Spread Account.

(a) The Servicer shall establish and maintain with the Paying Agent, in the name of the Indenture Trustee, for the benefit of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders, an Eligible Deposit Account (the "Spread Account") bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders. The Spread Account shall initially be established with the Indenture Trustee. The Indenture Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Spread Account and in all proceeds thereof. The Spread Account shall be under the sole dominion and control of the Indenture Trustee. If at any time the Spread Account ceases to be an Eligible Deposit Account, the Indenture Trustee (or the Servicer on its behalf) shall within 10 Business Days (or such longer period, not to exceed 30 calendar days, as to which the Rating Agency shall consent) establish a new Spread Account meeting the conditions specified above as an Eligible Deposit Account, and shall transfer any cash or any investments to such new Spread Account. The Indenture Trustee, at the written direction of the Servicer, shall (i) make withdrawals from the Spread Account from time to time in an amount up to the Available Spread Account Amount at such time, for the purposes set forth in this Supplement, and (ii) on each Distribution Date prior to the termination of the Spread Account make a deposit into the Spread Account in the amount specified in, and otherwise in accordance with, subsection 4.04(a)(vii).

(b) Funds on deposit in the Spread Account shall be invested at the written direction of the Servicer by the Indenture Trustee in Eligible Investments. In no event shall the Indenture Trustee be liable for the selection of Eligible Investments or for investment losses incurred thereon. The Indenture Trustee shall have no liability in respect of losses incurred as a result of the liquidation of any Eligible Investment prior to its stated maturity or the failure of the Servicer to provide timely written investment direction. The Indenture Trustee shall have no obligation to invest or reinvest any amounts held hereunder in the absence of written investment direction. Funds on deposit in the Spread Account on any Transfer Date, after giving effect to any withdrawals from the Spread Account on such Transfer Date, shall be invested in such investments that will mature so that such funds will be available for withdrawal on or prior to the following Transfer Date. The Indenture Trustee shall hold such Eligible Investments as provided in Section 6.15 of the Indenture. No such Eligible Investment shall be disposed of prior to its maturity; provided, however, that the Indenture Trustee may sell, liquidate or dispose of any such Eligible Investment before its maturity, at the written direction of the Servicer, if such sale, liquidation or disposal would not result in a loss of all or part of the principal portion of such Eligible Investment or if, prior to the maturity of such Eligible Investment, a default occurs in the payment of principal, interest or any other amount with respect to such Eligible Investment. On each Distribution Date, all interest and earnings (net of losses and investment expenses) accrued since the preceding Distribution Date on funds on deposit in the Spread Account shall be retained in the Spread Account (to the extent that the Available Spread Account

Amount is less than the Required Spread Account Amount) and the balance, if any, shall be deposited in the Collection Account and treated as Collections of Finance Charge Receivables allocable to Series 2018-One. Except as provided in the immediately preceding sentence with respect to investment earnings retained in the Spread Account, for purposes of determining the availability of funds or the balance in the Spread Account for any reason under this Supplement, investment earnings on such funds shall be deemed not to be available or on deposit.

(c) On each Transfer Date, the excess, if any, of the amounts payable pursuant to subsections 4.04(a)(i)–(vi) over the Available Finance Charge Collections available to pay such amounts (any such positive amount, the "Spread Account Draw Amount"), shall be withdrawn from the Spread Account by the Paying Agent (acting in accordance with the servicing report prepared pursuant to subsection 5.02(a)(i)), and deposited in the Collection Account to be applied as Available Funds. Notwithstanding anything else to the contrary in this Section 4.08, if an Event of Default shall have occurred with respect to Series 2018-One and the maturity of the Series 2018-One Notes shall have been accelerated under Section 5.03 of the Indenture, any amounts remaining on deposit in the Spread Account shall be applied *first* to pay interest and principal on the Class A Notes, *second* to pay interest and principal on the Class B Notes, and *third* to pay interest and principal on the Class C Notes, in each case remaining unpaid after application of the proceeds of the sale of the collateral pursuant to Section 5.05 of the Indenture as provided in Section 5.05 of the Indenture.

(d) Prior to the occurrence of an Event of Default with respect to the Series 2018-One Notes and acceleration of the maturity of the Series 2018-One Notes under Section 5.03 of the Indenture, in the event that the Spread Account Surplus on any Distribution Date, after giving effect to all deposits to and withdrawals from the Spread Account with respect to such Distribution Date, is greater than zero, the Indenture Trustee, acting in accordance with the written instructions of the Servicer, shall withdraw from the Spread Account and pay to the Issuer for distribution pursuant to the Trust Agreement, an amount equal to such Spread Account Surplus.

(e) On the first to occur of (1) the Distribution Date on which the Allocation Amount is equal to zero and (2) the Stated Maturity Date, an amount equal to the lesser of the amounts payable pursuant to clauses (i) through (iii) below and the amount on deposit in the Spread Account (after deducting the Spread Account Draw Amount on such Distribution Date) shall be withdrawn from the Spread Account by the Indenture Trustee (acting in accordance with the Monthly Servicer Statement) and applied in the following order of priority:

(i) an amount equal to the excess of the Class A Note Principal Balance over the amount of Available Principal Collections shall be distributed to the Paying Agent for payment to the Class A Noteholders as principal on the Class A Notes;

(ii) an amount equal to the excess of the of the Class B Note Principal Balance over the remaining amount of Available Principal Collections available to pay principal on the Class B Notes shall be distributed to the Paying Agent for payment to the Class B Noteholders as principal on the Class B Notes; and

(iii) an amount equal to the excess of the of the Class C Note Principal Balance over the remaining amount of Available Principal Collections available to pay principal on the Class C Notes shall be distributed to the Paying Agent for payment to the Class C Noteholders as principal on the Class C Notes.

(f) Upon the earlier to occur of (i) the day on which the Class A Note Principal Balance, the Class B Note Principal Balance, the Class C Note Principal Balance and all other accrued and unpaid amounts owing to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders are paid in full to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, and (ii) the termination of the Issuer pursuant to the Trust Agreement, the Indenture Trustee, acting in accordance with the instructions of the Servicer shall withdraw from the Spread Account and pay to the Issuer for application pursuant to the Trust Agreement (or if the Issuer has terminated, pay to the Transferor) all amounts, if any, on deposit in the Spread Account and the Spread Account shall be deemed to have terminated for purposes of this Supplement.

Section 4.09. Optional Redemption.

(a) On any Business Day after the termination of the Revolving Period, the Issuer may cause the Servicer to provide written notice to the Indenture Trustee and the Series 2018-One Noteholders (an "Optional Redemption Notice") at least ten (10) Business Days prior to any Business Day (the "Optional Redemption Date") stating its intention to cause a full redemption of the Series 2018-One Notes (an "Optional Redemption"). The Redemption Amount shall be paid from any Available Principal Collections or from the proceeds of the issuance of one or more new Series of Notes issued substantially contemporaneously with such full redemption (or any combination of the above).

(b) The Issuer shall deposit the Redemption Amount into the Collection Account in same day funds on the Business Day prior to the Optional Redemption Date. Following the deposit of the Redemption Amount into the Collection Amount in accordance with the foregoing, the Allocation Amount for Series 2018-One shall be reduced to zero and following the payment in full of such Redemption Amount to the Series 2018-One Noteholders and other parties entitled to any of such amount, the Series 2018-One Noteholders shall have no further interest in the Trust Estate. The Redemption Amount shall be distributed as set forth in subsection 8.01(b).

ARTICLE V

Distributions and Reports to Series 2018-One Noteholders

Section 5.01. Distributions.

(a) On each Distribution Date, the Paying Agent, solely in accordance with the Monthly Servicer Statement, shall distribute to each Class A Noteholder (other than as provided in Section 10.02 of the Indenture) such amounts held by the Paying Agent that are allocated and available on such Distribution Date to pay interest on the Class A Notes.

(b) On each Special Payment Date, the Paying Agent, solely in accordance with the Monthly Servicer Statement, shall distribute to each Class A Noteholder of record on the related Record Date (other than as provided in Section 10.02 of the Indenture) such amounts held by the Paying Agent that are allocated and available on such date to pay principal of the Class A Notes pursuant to this Supplement up to a maximum amount on any such date equal to the Class A Note Principal Balance on such date.

(c) On each Distribution Date, the Paying Agent, solely in accordance with the Monthly Servicer Statement, shall distribute to each Class B Noteholder (other than as provided in Section 10.02 of the Indenture) such amounts held by the Paying Agent that are allocated and available on such Distribution Date to pay interest on the Class B Notes.

(d) On each Special Payment Date, the Paying Agent, solely in accordance with the Monthly Servicer Statement, shall distribute to each Class B Noteholder of record on the related Record Date (other than as provided in Section 10.02 of the Indenture) such amounts held by the Paying Agent that are allocated and available on such date to pay principal of the Class B Notes pursuant to this Supplement up to a maximum amount on any such date equal to the Class B Note Principal Balance on such date.

(e) On each Distribution Date, the Paying Agent, solely in accordance with the Monthly Servicer Statement, shall distribute to each Class C Noteholder (other than as provided in Section 10.02 of the Indenture) such amounts held by the Paying Agent that are allocated and available on such Distribution Date to pay interest on the Class C Notes.

(f) On each Special Payment Date, the Paying Agent, solely in accordance with the Monthly Servicer Statement, shall distribute to each Class C Noteholder of record on the related Record Date (other than as provided in Section 10.02 of the Indenture) such amounts held by the Paying Agent that are allocated and available on such date to pay principal of the Class C Notes pursuant to this Supplement up to a maximum amount on any such date equal to the Class C Note Principal Balance on such date.

(g) On each Distribution Date, the Paying Agent, solely in accordance with the Monthly Servicer Statement, shall distribute to each of the Servicer, Backup Servicer, Owner Trustee and the Indenture Trustee such amounts held by the Paying Agent that are allocated and available on such Distribution Date to pay the Servicing Fee, the Backup Servicing Fee, the Program Fees and the Program Expenses, respectively.

(h) The distributions to be made pursuant to this Section 5.01 are subject to the provisions of Section 8.01 of the Transfer and Servicing Agreement, Section 5.05 of the Indenture and Section 8.01 of this Supplement.

(i) Except as provided in Section 10.02 of the Indenture with respect to a final distribution, distributions to Series 2018-One Noteholders hereunder shall be made by wire transfer of same day funds to the account that has been designated by the applicable Noteholders not less than ten Business Days prior to such Distribution Date.

Section 5.02. Reports and Statements to Series 2018-One Noteholders.

(a) Not later than each Determination Date, the Servicer shall deliver to the Indenture Trustee and the Paying Agent (i) a statement substantially in the form of Exhibit E prepared by the Servicer (the "Monthly Servicer Statement") and (ii) a certificate of a Servicing Officer substantially in the form attached thereto.

(b) A copy of each statement or certificate provided pursuant to subsection 5.02(a) may be obtained by any Series 2018-One Noteholder or any beneficial owner thereof by a request in writing to the Servicer.

(c) On or before January 31 of each calendar year, the Paying Agent, on behalf of the Indenture Trustee, shall furnish or cause to be furnished by posting to its website to each Person who at any time during the preceding calendar year was a Series 2018-One Noteholder, a statement prepared by the Servicer containing the information which is required to be contained in the statement to Series 2018-One Noteholders, as set forth in paragraph (a) above aggregated for such calendar year or the applicable portion thereof during which such Person was a Series 2018-One Noteholder, together with other information as is required to be provided by an issuer of indebtedness under the Code. Such obligation of the Servicer shall be deemed to have been satisfied to the extent that substantially comparable information shall be provided by the Paying Agent pursuant to any requirements of the Code as from time to time in effect.

ARTICLE VI

EARLY REDEMPTION EVENTS; EVENTS OF DEFAULT

Section 6.01. Early Redemption Events. If any one of the following events shall occur with respect to the Series 2018-One Notes:

(a) (i) failure on the part of the Seller, the Transferor or the Issuer to make any payment or deposit required by the terms of any Transaction Document on or before the date occurring five (5) Business Days after the date such payment or deposit is required to be made therein or herein or (ii) failure on the part of the Seller, the Transferor or the Issuer duly to observe or perform any other covenants or agreements in any Transaction Document which continues unremedied for a period of thirty (30) days after the date on which the Seller, the Issuer or the Transferor, as applicable, obtains actual knowledge of such failure or on which written notice of such failure requiring the same to be remedied, shall have been given to the Seller, the Transferor or the Issuer by the Indenture Trustee, or to, the Seller, the Transferor, or to the Issuer and the Indenture Trustee by the Holders of not less than 50% of the aggregate outstanding principal balance of the Series 2018-One Notes;

(b) any representation or warranty made by the Seller, the Transferor or the Issuer under any Transaction Document which continues to be incorrect for a period of thirty (30) days after the date on which the Seller, the Issuer or the Transferor, as applicable, obtains actual knowledge of such failure or on which written notice of such failure requiring the same to be remedied, shall have been given to the Seller, the Transferor or the Issuer by the Indenture Trustee, or to the Seller, the Transferor or the Issuer and the Indenture Trustee by the Holders of not less than 50% of the aggregate outstanding principal balance of the Series 2018-One Notes; provided, however, that an Early Redemption Event pursuant to this subsection 6.01(b) shall not be deemed to have occurred hereunder if the Transferor has replaced or accepted reassignment of the related Receivable, or all of such Receivables, if applicable, during such period in accordance with the provisions of the Transfer and Servicing Agreement;

(c) the occurrence of a Servicer Default;

(d) the Adjusted Transferor Amount is less than the Required Transferor Amount on any Measurement Date and such deficiency is not remedied on or before the Distribution Date occurring in the next Monthly Period;

(e) any of the following occurs for any Monthly Period:

(i) the Three-Month Charge-Off Ratio exceeds **[*****]**%;

(ii) the Three-Month Monthly Principal Payment Rate is less than **[*****]**%;

(iii) the Three-Month Excess Spread Percentage is less than **[*****]**%; or

(f) the occurrence and continuation of any Event of Default (as such term is defined in the Indenture);

(h) the Class A Note Principal Balance, the Class B Note Principal Balance and the Class C Note Principal Balance shall not be paid in full on the Scheduled Final Payment Date;

(i) an Insolvency Event with respect to Atlanticus Holdings Corporation occurs; or

(j) no Account Owner is originating Receivables for the Issuer;

then, in the case of any event described above other than in subparagraph (f) after the applicable grace period, if any, set forth in such subparagraphs, either the Indenture Trustee at the direction of the Holders of not less than 50% of the aggregate outstanding principal balance of the Series 2018-One Notes or such Holders, by notice then given in writing to the Issuer, the Servicer and the Indenture Trustee may declare that an Early Redemption Event has occurred with respect to Series 2018-One as of the date of such notice, and, in the case of any event described in subparagraph (f), an Early Redemption Event shall occur with respect to Series 2018-One without any notice or other action on the part of the Indenture Trustee or the Series 2018-One Noteholders immediately upon the occurrence of such event, unless such Early Redemption Event is waived by the Holders of not less than 50% of the aggregate outstanding principal balance of the Series 2018-One Notes, by notice given in writing to the Indenture Trustee, the Issuer and the Servicer. The Indenture Trustee shall provide prompt written notice to each Rating Agency upon the occurrence and continuation of an Early Redemption Event of which a Responsible Officer of the Indenture Trustee has actual knowledge.

ARTICLE VII

ADMINISTRATIVE REDEMPTION; SERIES TERMINATION

Section 7.01. Administrative Redemption.

(a) On any day occurring on or after the date on which the Note Principal Balance is reduced to 10% or less of the Initial Note Principal Balance at any time on or after the Closing Date, the Issuer, at the direction of the Transferor, shall have the option to redeem the Series 2018-One Notes, at a redemption price equal to (i) if such day is a Distribution Date, the Redemption Amount for such Distribution Date or (ii) if such day is not a Distribution Date, the Redemption Amount for the Distribution Date first following such day.

(b) The Issuer shall give the Servicer and the Indenture Trustee at least 30 days prior written notice of the date on which the Issuer intends to exercise such redemption option. The Issuer shall deposit the Redemption Amount into the Collection Account in same day funds on the Business Day prior to such scheduled redemption. Such redemption option is subject to payment in full of the Redemption Amount. Following the deposit of the Redemption Amount into the Collection Amount in accordance with the foregoing, the Allocation Amount for Series 2018-One shall be reduced to zero and following the payment in full of such Redemption Amount to the Series 2018-One Noteholders and other parties entitled to any of such amount, the Series 2018-One Noteholders shall have no further interest in the Trust Estate. The Redemption Amount shall be distributed as set forth in subsection 8.01(b).

Section 7.02. Repayment.

The Series 2018-One Notes shall be due and payable in full on the Stated Maturity Date.

ARTICLE VIII

REDEMPTION OF SERIES 2018-ONE NOTES; FINAL DISTRIBUTIONS

Section 8.01. Sale of Receivables or Redemption of the Notes pursuant to Section 2.04(c) or 8.01 of the Transfer and Servicing Agreement and Sections 5.05 and 5.17 of the Indenture and Section 7.01 of this Supplement.

(a) The amount to be paid by the Transferor with respect to Series 2018-One in connection with a reassignment of Receivables to the Transferor pursuant to Section 2.04(c) of the Transfer and Servicing Agreement shall equal the Redemption Amount for the first Distribution Date following the Monthly Period in which the reassignment obligation arises under the Transfer and Servicing Agreement.

(ii) The amount to be paid by the Transferor with respect to Series 2018-One in connection with any purchase of the Notes, pursuant to the exercise of a right of first refusal contained in Section 8.01 of the Transfer and Servicing Agreement shall be an amount equal to the Redemption Amount for the Distribution Date of any such purchase.

(b) With respect to the Redemption Amount deposited into the Collection Account pursuant to Section 7.01 or subsection 8.01(a) or any amounts allocable to the Series 2018-One Notes deposited into the Collection Account pursuant to Sections 5.05 and 5.17 of the Indenture, the Indenture Trustee shall, in accordance with the written direction of the Servicer, not later than 2:30 p.m., New York City time, on the related Distribution Date, make deposits or distributions of the following amounts (in the priority set forth below and, in each case after giving effect to any deposits and distributions otherwise to be made on such date) in same day funds solely in accordance with the Monthly Servicer Statement:

i. the Class A Note Principal Balance on such Distribution Date plus an amount equal to the sum of (A) the Class A Monthly Interest for such Distribution Date, (B) any Class A Monthly Interest previously due but not distributed to the Class A Noteholders on a prior Distribution Date, (C) any Class A Additional Interest for such Distribution Date and any Class A Additional Interest previously due but not distributed to the Class A Noteholders on a prior Distribution Date shall be distributed to the Paying Agent for payment to the Class A Noteholders;

ii. the Class B Note Principal Balance on such Distribution Date plus an amount equal to the sum of (A) the Class B Monthly Interest for such Distribution Date, (B) any Class B Monthly Interest previously due but not distributed to the Class B Noteholders on a prior Distribution Date, (C) any Class B Additional Interest for such Distribution Date and any Class B Additional Interest previously due but not distributed to the Class B Noteholders on a prior Distribution Date shall be distributed to the Paying Agent for payment to the Class B Noteholders;

iii. the Class C Note Principal Balance on such Distribution Date plus an amount equal to the sum of (A) the Class C Monthly Interest for such Distribution Date, (B) any Class C Monthly Interest previously due but not distributed to the Class C Noteholders on a prior Distribution Date, (C) any Class C Additional Interest for such Distribution Date and any Class C Additional Interest previously due but not distributed to the Class C Noteholders on a prior Distribution Date shall be distributed to the Paying Agent for payment to the Class C Noteholders;

iv. the Series 2018-One Monthly Fees previously due but not distributed shall be distributed to the Paying Agent for payment to the Servicer, the Backup Servicer, the Indenture Trustee, the Owner Trustee and the Seller; and

(c) Notwithstanding anything to the contrary in this Supplement or the Indenture, all amounts distributed to the Paying Agent pursuant to

subsection 8.01(b) for payment to the Series 2018-One Noteholders shall be deemed distributed in full to the Series 2018-One Noteholders on the date on which such funds are distributed to the Paying Agent pursuant to this Section and the Series 2018-One Notes shall be deemed to be no longer Outstanding as such term is defined in Section 1.01 of the Indenture.

ARTICLE IX

The Series 2018-One Notes; Covenants; Event of Default

Section 9.01. Form of Delivery of Series 2018-One Notes; Denominations.

(a) The Series 2018-One Notes shall be substantially in the form attached hereto as Exhibits A-1, A-2, A-3, B-1, B-2, B-3, C-1, C-2, and C-3, respectively. The Class A Global Notes and the Class B Global Notes shall be delivered as Book-Entry Notes in minimum denominations of $100,000 and integral multiples of $1,000 in excess thereof. The Class C Global Notes shall be delivered as Book-Entry Notes in minimum denominations of $250,000 and integral multiples of $1,000 in excess thereof. The Indenture Trustee shall authenticate the Series 2018-One Notes upon the written order of the Issuer as provided in Section 2.03 of the Indenture.

(b) The Depositary for the Class A Global Notes, the Class B Global Notes and the Class C Global Notes shall be The Depository Trust Company and the Class A Global Notes, the Class B Global Notes and the Class C Global Notes shall be initially registered in the name of Cede & Co., its nominee, and will initially be held by the Indenture Trustee as custodian for The Depository Trust Company.

(c) Holders of a beneficial interest in Class A Notes and Class B Notes sold in reliance on Regulation S as Temporary Regulation S Global Notes are prohibited from receiving distributions or from exchanging beneficial interests in such Temporary Regulation S Global Notes for Permanent Regulation S Global Notes until the later of (i) the expiration of the Distribution Compliance Period (the "Release Date") and (ii) the furnishing of a certificate, substantially in the form of Exhibit G attached hereto, certifying that the beneficial owner of the Temporary Regulation S Global Note is a non-United States Person (a "Regulation S Certificate") as provided in Section 9.07.

Section 9.02. Private Placement of Securities.

The Series 2018-One Notes have not been registered under the Securities Act or any state securities law. No transfer of any Series 2018-One Note shall be made except in accordance with Sections 9.03 and 9.04 of this Supplement. The Series 2018-One Notes shall bear a legend to the effect set forth in Exhibits A-1, A-2, A-3, B-1, B-2, B-3 and C-1. Neither the Issuer nor the Indenture Trustee is obligated to register the Series 2018-One Notes under the Securities Act or to take any other action not otherwise required under this Supplement or the Indenture to permit the transfer of the Series 2018-One Notes without registration.

Section 9.03. Representations, Warranties and Agreements of Noteholders.

Each purchaser of a Class A Note, Class B Note or Class C Note will be deemed to have acknowledged, represented, warranted and agreed by its purchase of a Class A Note, Class B Note or Class C Note, as follows:

(a) that (A) (i) it is QIB, (ii) it is aware that the sale to it is being made in reliance on Rule 144A and, if it is acquiring such Class A Note, Class B Note or Class C Note or any interest or participation therein for the account of another QIB, such other QIB is aware that the sale is being made in reliance on Rule 144A and (iii) it is acquiring its Class A Note, Class B Note or Class C Note for its own account or for one or more accounts, each of which is a QIB, and as to each of which the owner exercises sole investment discretion, and in a principal amount of not less than the minimum denomination of such Class A Note, Class B Note or Class Note for the purchaser and for each such account, or (B) with respect to Class A Notes or Class B Notes only, it is not a U.S. Person and is purchasing its Class A Note or Class B Note or any interest or participation therein in an offshore transaction meeting the requirements of Rules 903 and 904 of Regulation S;

(b) it will hold each Class A, Class B or Class C Note, as applicable, in a principal amount of not less than the minimum denomination of such Class A Note, Class B Note or Class C Note for the purchaser and for each such account, and with respect to the Class C Notes, it will not sell, assign, transfer, pledge or otherwise dispose of any Class C Note or beneficial interest therein, or enter into any financial instrument or contract the value of which is determined by reference in whole or in part to any such Class C Note or beneficial interest therein, in each case if the effect of doing so would be that the beneficial interest of any person in the Class C Note would be in an amount that is less than the minimum denomination for such Notes as set forth in the Indenture;

(c) it understands that each Class A Note, Class B Note or Class C Note will bear a legend set forth on the forms of the Class A Global Notes, the Class B Global Notes and the Class C Global Notes included as Exhibits A-1, A-2, A-3, B-1, B-2, B-3 or C-1;

(d) it understands that the Class A Notes, Class B Notes or Class C Notes are being offered only in a transaction not involving any public offering within the meaning of the Securities Act, and that it will not pledge, re-offer or resell or otherwise transfer any Class A Note, Class B Note or Class C Note or any interest therein except (i) to the Issuer, (ii) inside the United States in accordance with Rule 144A to a person who the seller reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the re-offer, resale, pledge or transfer is being made in reliance on Rule 144A or (iii) with respect to Class A Notes or Class B Notes only, outside the United States in an offshore transaction in accordance with Rule 903 or 904 of Regulation S, in each case in compliance with all applicable state securities or "blue sky" laws;

(e) it understands that an investment in a Class A Note, Class B Note or Class C Note involves certain risks, including the risk of loss of all or a substantial part of its investment under certain circumstances. It has had access to such financial and other information concerning the Indenture Trustee, the Note Registrar, the Paying Agent, the Seller, the Servicer, the Issuer, the Receivables and the Series 2018-One Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of a Class A Note, Class B Note or Class C Note, including an opportunity to ask questions of and request information from the Issuer and the Servicer. It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in a Class A Note, Class B Note or Class C Note, and it and any accounts for which it is acting are each able to bear the economic risk of the holder's or of its investment.

(f) if it is acquiring its Class A Note or Class B Note or any interest or participation therein in an "offshore transaction" (as defined in

Regulation S), it acknowledges that its Class A Note or Class B Note initially will be represented by the Temporary Regulation S Global Note and that transfers thereof or any interest or participation therein are restricted as provided herein and in the Indenture; if it is a QIB, it acknowledges that the Class A Notes, the Class B Notes or the Class C Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Note and that transfers thereof or any interest or participation therein are restricted as provided herein and in Section 9.01(a);

(g) (i) it understands that none of the Issuer, the Servicer, the Note Registrar, the Paying Agent, nor the Indenture Trustee is acting as a fiduciary or financial or investment adviser for the purchaser, (ii) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Servicer, the Note Registrar, the Paying Agent or the Indenture Trustee, (iii) none of the Issuer, the Servicer, the Note Registrar, the Paying Agent nor the Indenture Trustee has given it (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence, or benefit (including legal, regulatory, tax, financial, accounting, or otherwise) of its purchase or the documentation for the Notes, (iv) it has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Indenture) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Servicer, the Note Registrar, the Paying Agent or the Indenture Trustee, (v) it has determined that the rates, prices or amounts and other terms of the purchase and sale of the Notes reflect those in the relevant market for similar transactions, (vi) the transferee is purchasing the Notes with a full understanding of all of the terms, conditions and risks thereof (economic and otherwise), and is capable of assuming and willing to assume (financially and otherwise) these risks, and (vii) it is a sophisticated investor familiar with transactions similar to its investment in the a Class A Note, Class B Note or Class C Note;

(h) (i) if it is acquiring (and any fiduciary acting on its behalf) a beneficial interest in a Class A Note or Class B Note, so long as it holds such Class A Note or Class B Note (or a beneficial interest therein) either (A) it is not (and will not be) a Plan (as defined in Section 4975(e)(1) of the Code), and that it is not (and will not be) acquiring or holding such Class A Note or Class B Note (or any interest therein) on behalf of, or with, the assets of, a Plan, or (B)(1) such Note is rated at least "BBB-" or its equivalent by a nationally recognized statistical rating organization at the time of purchase or transfer and (2) its acquisition, holding and disposition of such Note (or any interest therein) will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any similar law; if it is acquiring (and any fiduciary acting on its behalf) a beneficial interest in a Class C Note, so long as it holds such Class C Note (or a beneficial interest therein), it is not (and will not be) a Plan and it is not (and will not be) acquiring or holding such Class C Note (or any interest therein) on behalf of, or with, the assets of, a Plan.

(i) with respect to a purchaser of Class C Note, (i) it is not, and will not become, a partnership, a corporation taxed under Subchapter S of the Code or a grantor trust for U.S. federal income tax purposes (or a disregarded entity the single owner of which is any of the foregoing) or (ii) is such an entity, but (x) no more than 50% of the value of any of the direct or indirect beneficial interests in such purchaser (or in the case of a disregarded entity, the interests of its single owner) is or will be attributable to such transferee's (or in the case of a disregarded entity, the single owner's) interest in the Class C Notes and (y) it is not and will not be a principal purpose of the arrangement involving such entity's beneficial interest in any Class C Notes to permit any partnership to satisfy the 100 partner limitation of Treasury Regulation Section 1.7704-1(h)(1)(ii) necessary for such partnership not to be classified as a publicly traded partnership under the Code. Furthermore, it will not acquire or transfer any Class C Note (or any interest therein) or cause any Class C Note (or any interest therein) to be marketed on or through an "established securities market" within the meaning of Section 7704(b)(1) of the Code, including, without limitation, an over-the-counter market or an interdealer quotation system that regularly disseminates firm buy or sell quotations. If any Class C Note held by a purchaser is required to be treated other than as described in Section 3.16 of the Indenture, then the purchaser, or, if different, the beneficial owner of such Class C Note, shall agree to the designation of the Seller as the partnership representative of any partnership in which such holder or beneficial owner is deemed to be a partner under Section 6223(a) of the Amended Partnership Audit Rules and any applicable Treasury Regulations thereunder.

(j) (i) Each holder or beneficial owners of a Class C Note shall provide to the Indenture Trustee on behalf of the Issuer any further information required by the Issuer to comply with the Amended Partnership Audit Rules, including Section 6226(a) of the Amended Partnership Audit Rules and, to the extent the Issuer determines such appointment necessary for it to make an election under Section 6226(a) of the Amended Partnership Audit Rules, it hereby appoints the holder as the agent of any beneficial owner which is not the holder of such Class C Note for purposes of receiving any notifications or information pursuant to the notice requirements under Section 6226(a)(2) of the Amended Partnership Audit Rules and (ii) to the extent applicable, each holder of a Class C Note and, if different, each beneficial owner of a Class C Note shall hold the Issuer and its Affiliates harmless for any losses (x) resulting from a beneficial owner of a Class C Note not properly taking into account or paying its allocated adjustment or liability under Section 6226 of the Amended Partnership Audit Rules or (y) that the Issuer or its affiliates may suffer due to actions it takes with respect to and to comply with the rules under Sections 6221 through 6241 of the Amended Partnership Audit Rules.

(k) it acknowledges that it is not acquiring any Class A Note, Class B Note or Class C Note with a view to the resale, distribution, or other disposition thereof in violation of the Securities Act;

(l) it acknowledges that the Class A Notes, the Class B Notes and the Class C Notes do not represent deposits with or other liabilities of the Indenture Trustee, the Servicer, the Note Registrar, the Paying Agent or any entity related to any of them (other than the Issuer) or any other purchaser of the Class A Notes, the Class B Notes and the Class C Notes and unless otherwise expressly provided in the Indenture, each of the Indenture Trustee, the Servicer, any entity related to any of them and any other purchaser of Series 2018-One Notes will not, in any way, be responsible for or stand behind the capital value or the performance of the Series-2018-One Notes or the assets held by the Issuer; it acknowledges that acquisition of Notes involves investment risks including prepayment and interest rate risks, possible delay in repayment and loss of income and principal invested;

(m) it acknowledges that transfers of the Class A Notes, the Class B Notes or the Class C Notes or any interest or participation therein shall otherwise be subject in all respects to the restrictions applicable thereto contained in this Supplement and the Indenture and shall provide notice to each person to whom it proposes to transfer any interest in the of the Class A Notes, the Class B Notes or the Class C Notes of the restrictions application hereto and the representations set forth herein and in the Indenture;

(n) it acknowledges that the Indenture Trustee, the Issuer, the Servicer, the Transferor and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements, and agrees that if any of the foregoing acknowledgements, representations, warranties and agreements made by it are no longer accurate, it promptly notify the Issuer and the Indenture Trustee. If it is acquiring any Class A Note, Class B Note or Class C Note as a fiduciary or agent for one or more investor accounts, it will be deemed to have represented that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such account; and

Any transfer, resale, pledge or other transfer of the Class A Notes, the Class B Notes or the Class C Notes contrary to the restrictions set forth above and in this Supplement and the Indenture shall be deemed void *ab initio* by the Indenture Trustee, notwithstanding any instructions to the contrary to the Issuer, the Indenture Trustee, the Note Registrar or any intermediary. If at any time the Issuer determines or is notified that holder of a Series 2018-One Note or a beneficial owner of a Series 2018-One Note, as the case may be, was in breach, at the time given, of any of the representations set forth herein, the Issuer may consider the acquisition of such Series 2018-One Note or such beneficial interest in such Series 2018-One Note void *ab initio* and require that such Series 2018-One Note or such beneficial interest therein be transferred to a person designated by the Issuer. If the transferee fails to transfer such Series 2018-One Note or such beneficial interests in such Series 2018-One Note within 30 days after notice of the voided transfer, then the Issuer shall cause such holder's interest or beneficial owner's interest in such Series 2018-One Note to be transferred in a commercially reasonable sale arranged by the Issuer (conducted by the Issuer or an agent of the Issuer in accordance with Section 9-610(b) of the UCC as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person that certifies to the Indenture Trustee, the Note Registrar and the Issuer, in connection with such transfer, that such person is a QIB. As used in this Section 9.03, the terms "United States" and "U.S. persons" have the respective meanings given them in Regulation S.

Section 9.04. Transfer Restrictions.

(a) No Class A Note, Class B Note or Class C Note may be transferred unless it is transferred in compliance with Section 9.03 and (i) to the Issuer, (ii) pursuant to Rule 144A under the Securities Act, or (iii) with respect to Class A Notes or Class B Notes only, to persons other than U.S. Persons in offshore transactions pursuant to Regulation S under the Securities Act and, in each case, in compliance with any applicable state securities or "blue sky" laws.

(b) No transfer of Class C Notes (or any interest therein) will be permitted to the extent that such transfer could cause the number of direct or indirect holders of an interest in the Series 2018-One Notes (and any other interests in the Issuer other than the Series 2018-One Notes) to exceed a number equal to 66 persons. The Note Registrar shall have the duty and obligation to ascertain the number of direct or indirect holders of an interest in the Class C Notes.

(c) No Class C Note may be transferred unless the transferee Class C Noteholder has delivered to the Issuer, Indenture Trustee and the Note Registrar a letter substantially in the form attached hereto as Exhibit D (a "Transferee Letter").

Section 9.05. Regulation S Global Notes.

(a) Class A Notes and Class B Notes issued in reliance on Regulation S will initially be in the form of a Temporary Regulation S Global Note. Any interest in a Class A Note or a Class B Note evidenced by the Temporary Regulation S Global Note is exchangeable for an interest in a Permanent Regulation S Global Note upon the later of (i) the Release Date and (ii) the furnishing of a Regulation S Certificate.

(b) On or prior to the Release Date, each beneficial owner of a Temporary Regulation S Global Note shall deliver to the Euroclear Operator or Clearstream (as applicable) a Regulation S Certificate; provided, however, that any beneficial owner of a Temporary Regulation S Global Note on the Release Date or on any Distribution Date that has previously delivered a Regulation S Certificate hereunder shall not be required to deliver any subsequent Regulation S Certificate (unless the certificate previously delivered is no longer true as of such subsequent date, in which case such beneficial owner shall promptly notify the Euroclear Operator or Clearstream, as applicable, thereof and shall deliver an updated Regulation S Certificate). The Euroclear Operator and/or Clearstream, as applicable, shall deliver to the Paying Agent or the Indenture Trustee a certificate substantially in the form of Exhibit F (a "Non-U.S. Certificate") attached hereto promptly upon the receipt of each such Regulation S Certificate, and no such beneficial owner (or transferee from such beneficial owner) shall be entitled to receive an interest in a Permanent Regulation S Global Note or any payment of principal or interest on or any other payment with respect to its beneficial interest in a Temporary Regulation S Global Note prior to the Paying Agent or the Indenture Trustee receiving such Non-U.S. Certificate from the Euroclear Operator or Clearstream with respect to the portion of the Temporary Regulation S Global Note owned by such beneficial owner (and, with respect to an interest in the Permanent Regulation S Global Note, prior to the Release Date).

(c) Any payments of principal of, interest on or any other payment on a Temporary Regulation S Global Note received by the Euroclear Operator or Clearstream with respect to any portion of such Regulation S Global Note owned by a beneficial owner of a Class A Global Note or Class B Global Note that has not delivered the Regulation S Certificate required by this Section 9.05 shall be held by the Euroclear Operator and Clearstream solely as agents for the Paying Agent and the Indenture Trustee. The Euroclear Operator and Clearstream shall remit such payments to the applicable beneficial owner of a Class A Global Note or a Class B Global Note (or to a Euroclear System or Clearstream member on behalf of such beneficial owner of a Class A Global Note or a Class B Global Note) only after the Euroclear Operator or Clearstream has received the requisite Regulation S Certificate. Until the Paying Agent or the Indenture Trustee has received a Non-U.S. Certificate from the Euroclear Operator or Clearstream, as applicable, the Paying Agent or the Indenture Trustee may revoke the right of the Euroclear Operator or Clearstream, as applicable, to hold any payments made with respect to such portion of such Temporary Regulation S Global Note. If the Paying Agent or the Indenture Trustee exercises its right of revocation pursuant to the immediately preceding sentence, the Euroclear Operator or Clearstream, as applicable, shall return such payments to the Paying Agent or the Indenture Trustee and the Indenture Trustee shall hold such payments in the Collection Account until the Euroclear Operator or Clearstream, as applicable, has provided the necessary Non-U.S. Certificates to the Paying Agent or the Indenture Trustee (at which time the Paying Agent shall forward such payments to the Euroclear Operator or Clearstream, as applicable, to be remitted to the beneficial owner of a Class A Global Note or a Class B Global Note that is entitled thereto on the records of the Euroclear Operator or Clearstream (or on the records of their respective members)).

(d) Each beneficial owner of a Class A Global Note or a Class B Global Note with respect to a Temporary Regulation S Global Note shall exchange its interest therein for an interest in a Permanent Regulation S Global Note on or after the Release Date upon furnishing to the Euroclear Operator or Clearstream (as applicable) the Regulation S Certificate and upon receipt by the Paying Agent or the Indenture Trustee, as applicable, of the Non-U.S. Certificate from the Euroclear Operator or Clearstream, as applicable, in each case pursuant to the terms of this Section 9.07. On and after the Release Date, upon receipt by the Paying Agent or the Indenture Trustee of any Non-U.S. Certificate from the Euroclear Operator or Clearstream described in the immediately preceding sentence (i) with respect to the first such certification, the Issuer shall execute, upon receipt of an order to authenticate, and the Indenture Trustee shall authenticate the applicable Permanent Regulation S Global Note and (ii) with respect to the first and all subsequent certifications, the Indenture Trustee shall exchange on behalf of the applicable beneficial owners the portion of the applicable Temporary Regulation S Global Note covered by such certification for a comparable portion of the applicable Permanent Regulation S Global Note. Upon any exchange of a portion of a Temporary Regulation S Global Note for a comparable portion of a Permanent Regulation S Global Note, the Indenture Trustee shall endorse on the schedules affixed to each of such Regulation S Global Notes (or on continuations of such schedules affixed to each of such Regulation S Global Notes and made parts thereof) appropriate notations evidencing the date of transfer and (x) with respect to the Temporary Regulation S Global Note, a decrease in the principal amount thereof equal to the amount covered by the applicable certification and (y) with respect to the Permanent Regulation S Global Note, an increase in the principal amount thereof equal to the principal amount of the decrease in the Temporary Regulation S Global Note pursuant to clause (x) above.

(e) The Series 2018-One Notes will be issued as Definitive Notes to beneficial owners of the Series 2018-One Notes or their nominees, rather than to DTC or its nominee, upon the occurrence of any of the following:

(i) the Issuer advises the Indenture Trustee that DTC, Euroclear or Clearstream, as applicable, is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series 2018-One Notes and the Issuer is unable to locate and reach an agreement on satisfactory terms with a qualified successor;

(ii) the Issuer, at its option, advises the Indenture Trustee in writing that it elects to terminate the book-entry system through DTC, Euroclear or Clearstream, as applicable, with respect to the Series 2018-One Notes; or

(iii) after the occurrence of a Servicer Default or an Event of Default, beneficial owners representing not less than 50% of the outstanding principal amount of the Series 2018-One Notes advise the Indenture Trustee through DTC, Euroclear or Clearstream, as applicable, in writing that the continuation of a book-entry system is no longer in the best interest of the beneficial owners of the Series 2018-One Notes.

Upon the occurrence of any such event, the Indenture Trustee shall notify all beneficial owners of the Series 2018-One Notes through DTC, Euroclear or Clearstream, as applicable, of the availability of Definitive Notes. Upon surrender by DTC of the definitive instrument representing the Series 2018-One Notes and instructions for re-registration, the Issuer shall execute and the Indenture Trustee shall authenticate the Series 2018-One Notes as Definitive Notes. Thereafter the Indenture Trustee shall recognize the registered holders of those Definitive Notes as Noteholders for all purposes under the Indenture.

Section 9.06. Special Transfer Provisions.

(a) If a holder of a beneficial interest in the Rule 144A Global Note wishes at any time to exchange its interest in the Rule 144A Global Note for an interest in the Regulation S Global Note, or to transfer its interest in the Rule 144A Global Note to a person who wishes to take delivery thereof in the form of an interest in the Regulation S Global Note, such holder may, subject to the rules and procedures of the Clearing Agency and to the requirements set forth in the following sentence, exchange or transfer or cause the exchange or transfer of such interest for an equivalent beneficial interest in the Regulation S Global Note. Upon receipt by the Indenture Trustee of (1) instructions given in accordance with the Clearing Agency's procedures from or on behalf of a beneficial owner of the Rule 144A Global Note, directing the Indenture Trustee (via DWAC), as transfer agent, to credit or cause to be credited a beneficial interest in the Regulation S Global Note in an amount equal to the beneficial interest in the Rule 144A Global Note to be exchanged or transferred, (2) a written order in accordance with the Clearing Agency's procedures containing information regarding the Euroclear System or Clearstream account to be credited with such increase and the name of such account, and (3) a certificate given by such beneficial owner stating that the exchange or transfer of such interest has been made pursuant to and in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, the Indenture Trustee, as transfer agent, shall promptly deliver appropriate instructions to the Clearing Agency (via DWAC), its nominee, or the custodian for the Clearing Agency, as the case may be, to reduce or reflect on its records a reduction of the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be so exchanged or transferred from the relevant participant, and the Indenture Trustee, as transfer agent, shall promptly deliver appropriate instructions (via DWAC) to the Clearing Agency, its nominee, or the custodian for the Clearing Agency, as the case may be, concurrently with such reduction, to increase or reflect on its records an increase of the principal amount of such Regulation S Global Note by the aggregate principal amount of the beneficial interest in the Rule 144A Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions (who may be the Euroclear Operator or Clearstream or another agent member of the Euroclear System or Clearstream, or both, as the case may be, acting for and on behalf of them) a beneficial interest in such Regulation S Global Note equal to the reduction in the principal amount of the Rule 144A Global Note. Notwithstanding anything to the contrary, the Indenture Trustee may conclusively rely upon the completed schedule set forth in the certificate evidencing the Class A Global Notes, the Class B Global Notes and the Class C Global Notes.

(b) If a holder of a beneficial interest in the Regulation S Global Note wishes at any time to exchange its interest in the Regulation S Global Note for an interest in the Rule 144A Global Note, or to transfer its interest in the Regulation S Global Note to a person who wishes to take delivery thereof in the form of an interest in the Rule 144A Global Note, such holder may, subject to the rules and procedures of the Euroclear System or Clearstream and the Clearing Agency, as the case may be, and to the requirements set forth in the following sentence, exchange or transfer or cause the exchange or transfer of such interest for an equivalent beneficial interest in the Rule 144A Global Note. Upon receipt by the Indenture Trustee, as transfer agent, of (1) instructions given in accordance with the procedures of the Euroclear System or Clearstream and the Clearing Agency, as the case may be, from or on behalf of a beneficial owner of the Regulation S Global Note directing the Indenture Trustee, as transfer agent, to credit or cause to be credited a beneficial interest in the Rule 144A Global Note in an amount equal to the beneficial interest in the Regulation S Global Note to be exchanged or transferred, (2) a written order given in accordance with the procedures of the Euroclear System or Clearstream and the Clearing Agency, as the case may be, containing information regarding the account with the Clearing Agency to be credited with such increase and the name of such account, and (3) prior to the expiration of the Distribution Compliance Period, a certificate given by such beneficial owner stating that the person transferring such interest in such Regulation S Global Note reasonably believes that the person acquiring such interest in the Rule 144A Global Note is a QIB and is obtaining such beneficial interest for its own account or the account of a QIB in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction, the Indenture Trustee, as transfer agent, shall promptly deliver (via DWAC) appropriate instructions to the Clearing Agency, its nominee, or the custodian for the Clearing Agency, as the case may be, to reduce or reflect on its records a reduction of the Regulation S Global Note by the aggregate principal amount of the beneficial interest in such Regulation S Global Note to be exchanged or transferred, and the Indenture Trustee, as transfer agent, shall promptly deliver (via DWAC) appropriate instructions to the Clearing Agency, its nominee, or the custodian for the Clearing Agency, as the case may be, concurrently with such reduction, to increase or reflect on its records an increase of the principal amount of the Rule 144A Global Note by the aggregate principal amount of the beneficial interest in the Regulation S Global Note to be so exchanged or transferred, and to credit or cause to be credited to the account of the person specified in such instructions a beneficial interest in the Rule 144A Global Note equal to the reduction in the principal amount of the Regulation S Global Note. After the expiration of the Distribution Compliance Period, the certification requirement set forth in clause (3) of the second sentence of this Section 9.08(b) will no longer apply to such exchanges and transfers. Notwithstanding anything to the contrary, the Indenture Trustee may conclusively rely upon the completed schedule set forth in the certificate evidencing the Class A Global Notes, the Class B Global Notes or the Class C Global Notes.

(c) Any beneficial interest in one of the Class A Global Notes, Class B Global Notes or Class C Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Class A Global Note, Class B Global Note or Class C Global Note will, upon transfer, cease to be an interest in such Class A Global Note, Class B Global Note or Class C Global Note and become an interest in the other Class A Global Note, Class B Global Note or Class C Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Class A Global Note, Class B Global Note or Class C Global Note for as long as it remains such an interest.

(d) Until the later of the Release Date and the provision of the certifications required by Section 9.05, beneficial interests in a Regulation S Global Note may only be held through the Euroclear System or Clearstream or another agent member of the Euroclear System or Clearstream acting for and on behalf of them. During the Distribution Compliance Period, interests in the Regulation S Global Note may be exchanged for interests in the Rule 144A Global Note only in accordance with the certification requirements described above.

Section 9.07. Withholding.

Prior to the first Distribution Date, and at any subsequent time as required by applicable Requirements of Law, (i) each holder of a Series 2018-One Note shall deliver to the Paying Agent and the Issuer a correct, complete and properly executed U.S. IRS Form W-9, W-8BEN, W-8BEN-E, W-8ECI, W-8IMY (with applicable supporting documentation) or W-8EXP, or any successor form, as applicable ("Noteholder Tax Identification Information") and (ii) each holder of a Series 2018-One Note shall deliver to the Paying Agent and the Issuer any documentation that is required under FATCA or is otherwise necessary (in the sole determination of the Issuer, the Paying Agent and the Indenture Trustee or other agent of the Issuer, as applicable) to enable the Issuer, the Paying Agent and any other agent of the Issuer to comply with their obligations under FATCA and to determine that such holder of a Series 2018-One Note (or holder of any beneficial interest in a Series 2018-One Note) has complied with its obligations under FATCA, or to determine the amount to deduct and withhold from a payment ("Noteholder FATCA Information").

Each holder of a Series 2018-One Note or an interest therein, by acceptance of such Series 2018-One Note or such interest in such Series 2018-One Note, will be deemed to have agreed to provide the Issuer, the Paying Agent and the Indenture Trustee with the Noteholder Tax Identification Information and, to the extent applicable, the Noteholder FATCA Information. In addition, each holder of a Series 2018-One Note or an interest therein will be deemed to understand that the Indenture Trustee, the Paying Agent and any other agent of the Issuer may withhold interest and principal payable with respect to a Series 2018-One Note (without any corresponding gross-up) on any holder of a Series 2018-One Note or beneficial owner of an interest in a Series 2018-One Note that fails to comply with the foregoing requirements.

ARTICLE X

Miscellaneous Provisions

Section 10.01. Ratification of Agreement. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Supplement shall be read, taken and construed as one and the same instrument.

Section 10.02. Counterparts. This Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

Section 10.03. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED THEREIN

WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PROVISIONS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW). EACH OF THE PARTIES HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND OF ANY NEW YORK STATE COURT SITTING IN THE CITY OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS SECTION 9.03 SHALL AFFECT THE RIGHT OF ANY PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST ANY OF THE PARTIES HERETO OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS.

EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG ANY OF THEM ARISING OUT OF, CONNECTED WITH, RELATING TO OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS.

Section 10.04. Limitation of Liability. It is expressly understood and agreed by the parties hereto that (a) this Supplement is executed and delivered by Wilmington Trust, National Association, not individually or personally but solely as trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it under the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Wilmington Trust, National Association but is made and intended for the purpose of binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Wilmington Trust, National Association, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties to this Agreement and by any person claiming by, through or under the parties to this Agreement, (d) Wilmington Trust, National Association has not verified and has conducted no investigation as to the accuracy or completeness of any representation, warranty or covenant of the Issuer and (e) under no circumstances shall Wilmington Trust, National Association be personally liable for the payment of any Indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Supplement or any other document to which the Issuer is a party.

Section 10.05. Additional Covenants.

(a) So long as the Series 2018-One Notes remain Outstanding, the Discount Option shall not be reduced below **[*****]**%.

(b) On each Measurement Date, the Servicer shall determine the Series Required Transferor Amount and the Adjusted Transferor Amount as of the last day of the related Monthly Period. Notwithstanding anything in the Transaction Documents to the contrary, if the Servicer determines that the Adjusted Transferor Amount is less than the Series Required Transferor Amount, the Transferor shall cause to be designated additional Eligible Accounts to be included as Accounts in a sufficient amount such that the Adjusted Transferor Amount is at least equal to the Series Required Transferor Amount. Receivables from such additional Eligible Accounts shall be transferred to the Issuer on or before the Distribution Date occurring in the next Monthly Period.

Section 10.06. Excess Concentration Amount.

(a) As of the first day of any Monthly Period, an amount of Principal Receivables equal to the sum, without duplication, of the following amounts shall constitute the "Excess Concentration Amount" for such Monthly Period:

(i) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors have no FICO Score or a FICO Score of less than **[*****]** exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(ii) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors have no FICO Score or a FICO Score of less than **[*****]** exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(iii) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors have no FICO Score or a FICO Score of less than **[*****]** exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(iv) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors have no FICO Score or a FICO Score of less than **[*****]** exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(v) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors have no FICO Score or a FICO Score of less than **[*****]** exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(vi) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors have no FICO Score or a FICO Score of less than **[*****]** exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(vii) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which the sector is home improvement – in store exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(viii) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which the sector is home improvement – in home exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(ix) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which the sector is furniture exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(x) the aggregate amount of all Principal Receivables that cause the weighted average annual percentage rate of interest of all Eligible Accounts to be less than **[*****]**%;

(xi) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which the Obligors reside in the state with the highest number of Accounts exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(xii) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors reside in the state with the second highest number of Accounts exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(xiii) the aggregate amount of all Principal Receivables that constitute Eligible Receivables with the same industry sector for which the sector is other than those named above exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(xiv) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors reside in any single state (other than the states described in (xi) and (xii) above) exceeds **[*****]**% of the aggregate amount of Eligible Receivables;

(xv) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which Obligors reside in the State of Colorado and whose APR is greater than the maximum rate of interest permitted by the State of Colorado exceeds **[*****]**% of the aggregate amount of Eligible Receivables; and

(xvi) the aggregate amount of all Principal Receivables that constitute Eligible Receivables for which the related Obligor was a resident of the State of New York, the State of Connecticut, or the State of Vermont as of the time of such Receivable's creation exceeds **[*****]**% of the aggregate amount of all Principal Receivables that constitute Eligible Receivables.

(b) At the option of the Transferor, any Receivables which constitute Excess Concentration Amounts shall be treated as Ineligible Receivables in accordance with Section 2.05 of the Transfer and Servicing Agreement.

Section 10.07. The Indenture Trustee. The Indenture Trustee shall be entitled to the same rights, protections and indemnities under this Supplement that it is provided under the Indenture.

IN WITNESS WHEREOF, the Issuer, the Servicer and the Indenture Trustee have caused this Indenture Supplement to be duly executed by their respective officers thereunto duly authorized, all as of the date first above written.

FORTIVA RETAIL CREDIT MASTER NOTE BUSINESS TRUST,
Issuer

By: WILMINGTON TRUST, NATIONAL ASSOCIATION
not in its individual capacity, but solely
as Owner Trustee

By: /s/ Nedine P. Sutton
Name: Nedine P. Sutton
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
not in its individual capacity, but solely as
Indenture Trustee

By: /s/ Mirtza J. Escobar
Name: Mirtza J. Escobar
Title: Vice President

ACCESS FINANCING, LLC,
Servicer

By: /s/ Brian Stone
Name: Brian Stone
Title: President

For purposes of Section 10.05 and 10.06 only:

FRC Funding Corporation
As Transferor

By: /s/Joshua C. Miller
Name: Joshua C. Miller
Title: Assistant Secretary

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EXHIBIT E

FORM OF MONTHLY SERVICER'S STATEMENT

Fortiva Retail Credit Master Note Business Trust
Monthly Servicer Statement
Month 2018
Series 2018-One

Monthly Period:	**From:**	mm/dd/yy
	To:	mm/dd/yy
Number of days in the Monthly Period:		#
Determination Date:		mm/dd/yy
Transfer Date:		mm/dd/yy
Distribution Date:		mm/dd/yy

Pursuant to Section 3.04(b) of the Transfer and Servicing Agreement, dated as of [_], 2018 as amended from time to time, among Access Financing, as Servicer (the "Servicer"), FRC Funding Corporation, LLC, as Transferor (the "Transferor"), Fortiva Retail Credit Master Note Business Trust, as Issuer (the "Issuer") and US Bank, NA as Indenture Trustee (the "Indenture Trustee"), and Section 5.02(a) of the Series 2018-One Indenture Supplement, dated as of [_], 2018 2018 and as amended from time to time (the "Supplement"), each among Servicer, Issuer, and the Indenture Trustee, Servicer is required to prepare certain information each month regarding the current distributions to the Noteholders and the performance of related collateral during the previous month. The undersigned, a duly authorized representative of the Servicer, does hereby certify in this Monthly Servicer's Certificate (this "Certificate"):

i Capitalized terms used in this Certificate have their respective meanings set forth in the Transaction Documents. References herein to certain subsections and Sections are references to their respective Subsections and Sections of the Indenture.

ii This Certificate is being delivered Pursuant to Section 5.02(a) of the Indenture Supplement.

iii Access Financing is the Servicer under the Transaction Documents. The undersigned is an authorized servicing officer of the Servicer.

iv The date of this Certificate is on, or prior to, the Determination Date related to the Distribution Date specified above.

v No Early Redemption Event has occurred under the Agreement.

vi As of the date hereof, to the best knowledge of the undersigned, the Servicer has performed in all material respects all its obligations under the Transaction Documents for the Monthly Period preceding such Distribution Date.

A Receivables & Collateral Information

		Eligible
1	Receivables on the Closing date	$ -
2	New Principal Receivables net of returns	$ -
3	Finance and Fees billed net of adjustments	$ -
4	Principal Collections	$ -
5	Finance Charge and Fee Collections (Inclusive of Recoveries)	$ -
6	Collection Adjustments (CBR, NSF, etc)	$ -
7	Principal Default Amounts	$ -
8	Finance Charge Default Amounts	$ -
9	Miscellaneous adjustments	$ -
10	Receivables on the last day of the Monthly Period (sum of lines 1 through 9)	$ -
11	Principal Receivables outstanding on the last day of the Monthly Period per the System of Record	$ -
12	Finance Receivables outstanding on the last day of the Monthly Period per the System of Record	$ -
13	Total Receivables outstanding on the last day of the Monthly Period per the System of Record (sum of lines 11 through 12)	$ -
14	Discount Percentage	**[*****]**
15	Principal Receivables outstanding on the last day of the Monthly Period net of Discount Option Receivables (line 11 times (100%- line 14))	$ -
16	Finance Receivables outstanding on the last day of the Monthly Period net of Discount Option Receivables (line 12 plus (line 11 times line 14))	$ -
17	Total Receivables outstanding on the last day of the Monthly Period net of Discount Option Receivables (sum of lines 15 through 16)	$ -
18	Average Principal Receivables during the Monthly Period	$ -
19	Principal Receivables (line 15)	$ -
20	Eligibility Criteria of Eligible Principal Receivables (a) First Payment Default Account	$ -
21	Eligible Principal Receivables (sum of lines 19 through 20)	$ -
22	Special Funding Account balance as of the last day of the Monthly Period	$ -

23	Collections Account balance as of the last day of the Monthly Period		$ -
24	Excess Concentration Amounts of Eligible Principal Receivables		
	(a)	Obligor does not have a FICO Score or has a FICO Score less than **[*****]** exceeds **[*****]**%	$ -
	(b)	Obligor does not have a FICO Score less than **[*****]** exceeds **[*****]**%	$ -
	(c)	Obligor does not have a FICO Score less than **[*****]** exceeds **[*****]**%	$ -
	(d)	Obligor does not have a FICO Score less than **[*****]** exceeds **[*****]**%	$ -
	(e)	Obligor does not have a FICO Score less than **[*****]** exceeds **[*****]**%	$ -
	(f)	Obligor does not have a FICO Score less than **[*****]** exceeds **[*****]**%	$ -
	(g)	Amount of Eligible Receivables that would need to be removed to cause the home improvement - in store sector to be greater than **[*****]**%	$ -
	(h)	Amount of Eligible Receivables that would need to be removed to cause the home improvement - in home sector to be greater than **[*****]**%	$ -
	(i)	Amount of Eligible Receivables that would need to be removed to cause the furniture sector to be greater than **[*****]**%	$ -
	(j)	Amount of Eligible Receivables that would need to be removed to cause the average weighted APR to be less than **[*****]**%	$ -
	(k)	Obligor reside in the state with the highest number of Accounts exceeds **[*****]**%	$ -
	(l)	Obligor reside in the state with the second highest number of Accounts exceeds **[*****]**%	$ -
	(m)	Amount of Eligible Receivables that would need to be removed to cause the same industry sector for which sector is other than those named above exceeds **[*****]**%	$ -
	(n)	Obligor reside in a state (other than those in (k) or (l)) exceeds **[*****]**%	$ -
	(o)	Obligor reside in the State of Colorado and whose APR is greater than the maximum rate of interest permitted exceeds **[*****]**%	$ -
	(p)	Obligor reside in the State of New York, the State of Connecticut, or the State of Vermont exceeds **[*****]**%	$ -
	(q)	Excess Concentration Amounts (sum of lines 24(a) through 24(p))	$ -
25	Required Spread Account balance as of the last day of the Monthly Period		$ -
26	Available Spread Account balance as of the last day of the Monthly Period		$ -

B Default Information

27	Defaulted Amount for the Monthly Period Pursuant to Section 1.01 of the TSA	$ -
28	Series 2018-One Allocable Defaulted Amount for the Monthly Period (line 27 times line 39 times line 42)	$ -
29	Reduction Amount Pursuant to Section 4.06 (the amount by which (the sum of line 56(a) & line 57 & line 65(d) & line 152 & line 67 exceeds line 55)	$ -

C Investor Information

		Class A	**Class B**	**Class C**	**Total**
30	Note Principal Balance on the last day of the prior Monthly Period	$ -	$ -	$ -	$ -
31	Note Principal Balance Increases made during the Monthly Period	$ -	$ -	$ -	$ -
32	Note Principal Balance Decreases made during the Monthly Period	$ -	$ -	$ -	$ -
33	Note Principal Balance on the last day of the Monthly Period (sum of lines 30 through 32)	$ -	$ -	$ -	$ -
34	The average Note Principal Balance during the Monthly Period	$ -	$ -	$ -	$ -
35	Aggregate Allocation Amount	$ -	$ -	$ -	$ -

36	Transferor Amount on the last day of the Monthly Period (line 21 plus line 22 plus line 23 minus line 35 minus line 24(n))	$ -
37	Series Required Transferor Amount ((line 33 times 95%) minus line 33)	$ -

38	Is the Transferor Amount greater than the Series Required Transferor Amount?	No

D Series Information

39	Series 2018-One Allocation Percentage	0.00%
40	Series Allocation Amount	$ -
41	Fixed/Floating Allocation Percentage for the related Monthly Period	0.00%
42	Floating Allocation Percentage for the related Monthly Period	0.00%
43	Series 2018-One Required Amounts Pursuant to Section 4.03 of the Indenture Supplement	$ -

F Collection Information For The Monthly Period

44	Net Eligible Collections for the Monthly Period	$ -	
45	Net Ineligible Collections for the Monthly Period	$ -	
46	Collections of Interchange and net earnings on Eligible Investments for the Monthly Period	$ -	
47	Recoveries for the Monthly Period	$ -	
48	Aggregate amount of Collections of Principal Receivables (actual Collections of Principal Receivables without regard to Discount Options Receivables, if any)	$ -	
49	**[*****]**	$ -	
50	Collections of Principal Receivables (line 48 minus line 49)	$ -	
51	Aggregate amount of Collections of Finance Charge Receivables (sum of lines 44 through 47 minus line 50)	$ -	
52	The Series 2018-One Allocable Principal Collections (line 50 times line 39)	$ -	
	(a) Noteholder portion of the Series 2018-One Allocable Principal Collections (line 52 times line 41)		$ -
	(b) The Transferor portion of Series 2018-One Allocable Principal Collections (line 52 times (1 minus lines 41))		$ -
53	The Series 2018-One Allocable Finance Collections (line 51 times line 39)	$ -	
	(a) Noteholder portion of the Series 2018-One Allocable Finance Collections (line 53 times line 42)		$ -
	(b) Transferor percentage of Series 2018-One Finance Collections (line 53 times (1 minus lines 42))		$ -
54	Cross check s/b zero: ((line 50 plus line 51) times line 39 minus line 52 minus line 53)	$ -	

G Withdrawal Information From The Collection Account Relating To Collections of Finance Charge Receivables and Reallocated Principal Collections

Pursuant to Section 4.04(a)		
55	Available Funds to be distributed	$ -
Pursuant to Section 4.04(a)(i)		
56	Monthly Servicing Fee (line 56(a) plus line 56(b))	$ -
	(a) Noteholder portion of the Series 2018-One Monthly Servicing Fee (line 96(a) times 42 times 39)	$ -
	(b) Transferor portion of Series 2018-One Monthly Servicing Fee (line 96(a) times (1 minus line 42) times line 39)	$ -
57	Previously due but not distributed Monthly Servicing Fees	$ -
Pursuant to Section 4.04(a)(i)		
58	Program Fees (Annual Fees owend to Owner Trustee & Indenture Trustee)(Program Fees times line 39)	$ -
	(a) Noteholder portion of the Series 2018-One Program Fees (line 58 times 42)	$ -
	(b) Transferor portion of Series 2018-One Program Fees (line 58 times (1 minus lines 42))	$ -
59	Previously due but not distributed Program Fees	$ -
Pursuant to Section 4.04(a)(i)		
60	Capped Program Expenses (Capped Program Espenses times line 39)	$ -
	(a) Noteholder portion of the Series 2018-One Program Fees (line 60 times)	$ -
	(b) Transferor portion of Series 2018-One Program Fees (line 60 times (1 minus lines))	$ -
61	Previously due but not distributed Capped Program Expenses	$ -
Pursuant to Section 4.04(a)(i)		
62	Monthly Backup Servicing Fee (Line 62(a) plus line 62(b))	$ -
	(a) Noteholder portion of the Series 2018-One Monthly Backup Servicing Fee (line 97 times 42 times 39)	$ -

(b) Transferor portion of Series 2018-One Monthly Backup Servicing Fee (line 97 times (1 minus lines 42) times line 39) $ -

63 Previously due but not distributed Monthly Backup Servicing Fees $ -

Pursuant to Section 4.04(a)(ii)-(iv)

64 Number of Days in Interest Period:
Beginning: mm/dd/yy Ending: mm/dd/yy #

65 Monthly Interest **Rate**

(a) Class A Interest 0%$ -
(b) Class B Interest 0%$ -
(c) Class C Interest 0%$ -
(d) Total Class A Interest for Monthly Period (line 65(a) through (c)) $ -

66 Previously due not distributed Class A Monthly Interest $ -

Pursuant to Section 4.04(a)(v)

67 Series Default Amount for the Monthly Period shall be treated as a portion of Available Principal Collections (line 28) $ -

Pursuant to Section 4.04(a)(vi)

68 Aggregate amount of Reduction Amounts which have not been previously reimbursed shall be treated as a portion of Available Principal Collections $ -

Pursuant to Section 4.04(a)(vi)

69 Aggregate amount of Transfer Reduction Amounts which have not been previously reimbursed shall be treated as a portion of Available Principal Collections $ -

Pursuant to Section 4.04(a)(vii)

70 Prior to the date on which the Spread Account terminates, an amount up to the excess, if any, of the Required Spread Account Amount over the Available Spread Account Amount shall be deposited into the Spread Account $ -

Pursuant to Section 4.04(a)(viii)

71 If an Early Redemption Event has occurred on or prior to such Distribution Date, an amount up to the Class A Note Principal Balance on such Distribution Date shall be treated as a portion of Available Principal Collections $ -

Pursuant to Section 4.04(a)(ix)

72 An amount equal to Program Expenses for such Distribution Date (Program Expenses times line 39) $ -

(a) Noteholder portion of the Series 2018-One Program Expenses (line 72 times 42) $ -

(b) Transferor portion of Series 2018-One Program Expenses (line 72times (1 minus lines 42)) $ -

73 Previously due not distributed Program Expenses $ -

Pursuant to Section 4.04(a)(x)

74 The balance, if any, of Available Funds shall constitute a portion of Excess Finance Charge Collections shall be applied in accordance section 4.02 of the TSA $ -

H Withdrawal Information From The Collection Account Relating To Collections of Principal Receivables

75 Noteholder portion of Collections of Principal Receivables (line 52(a)) $ -

76 Noteholder portion of Collections of Finance Charge Receivables recharacterized as Available Principal Collections Pursuant to Section 4.04(a) (sum of (line 76(a) through 76(c)) $ -

(a) Series Default Amount for the preceding Monthly Period shall be treated as Available Principal Collections (line 67) $ -

(b) Aggregate amount of Reduction Amounts and Transferor Reduction Amounts and Reallocated Principal Collections that under Section 4.05 were used to fund the Class A-C Required Amounts which have not been previously reimbursed shall be treated as a portion of Available Principal Collections (line 68 plus line 69) $ -

(c) If an Early Redemption Event has occurred, an amount up to the Class A Note Principal Balance shall be treated as Available Principal Collections (line 71) $ -

77 Reallocated Principal Collections Pursuant to Section 4.06 (line 43) $ -

78 Available Principal Collections (sum of line 75 through 77) $ -

If Revolving Period, the amount specified in line 78 shall be allocated as follows:

Pursuant to Section 4.04(b)

79 Amount equal to the balance, if any, of such Available Principal Collections shall be distributed to the Issuer and applied in accounrdance with the Trust Agreement. (line 78) $ -

I Instructions To Make Certain Payments

Pursuant to Section 5.01 of the Indenture Supplement, the Servicer does hereby instruct the Indenture Trustee and the Paying Agent to pay on the Distribution Date in accordance with

Section 5.01 from amounts held by the Paying Agent, the following amounts as set forth below:

80	Total Collections (line 52 plus line 53)	$ -
81	Permitted Series 2018-One Allocable Principal Collections withdrawals made by the Servicer from the Collection Account during Monthly Period	$ -
82	Amount to be deposited into Spread Account pursuant to section 4.04(a)(vii)(line 70)	$ -
83	Net collections (sum of lines 80 through 82)	$ -
84	Pay to Servicer (line 56 plus line 57)	$ -
85	Pay to Owner Trustee (line 58 plus line 72)	$ -
86	Pay to Indenture Trustee (line 58 plus line 72)	$ -
87	Pay to Backup Servicer (line 62 plus line 63)	$ -
88	Pay to Noteholders (line 65 plus line 66)	$ -
89	Pay to Transferor (line 52(b) plus line 53(b) minus line 56(b) minus line 58(b) minus line 60(b) minus line 62(b) minus line 72(b))	$ -
90	Cross check should be zero: sum of line 84 through line 89 must equal line 83	$ -

J Management Reporting Data

91	Monthly Principal Delinquency Information:	
	(a) Current	-
	(b) 1-30 Days	-
	(c) 31-60 Days	-
	(d) 61-90 Days	-
	(e) 91-120 Days	-
	(f) 121-150 Days	-
	(g) 151-180 Days	-
	(h) 180+ Days	-
	(i) Total Principal Receivables (line 91(a) through line 91(h))	-
92	Principapl Receivables as of the last day of the prior Monthly Period (prior month line 15)	$ -
93	Charge-Off Information:	
	(a) Charge-Off Ratio for the current Monthly Period (((line 27 minus line 47) divided by line 92) times 12)	0.00%
	(b) Charge-Off Ratio previous Monthly Period (prior month line 93(a))	0.00%
	(c) Charge-Off Ratio two months ago (prior month line 93(b))	0.00%
	(d) Three-Month Charge-Off Ratio (average of lines 93(a), (b), and (c))	0.00%
	(e) Required average Three-Month Charge-Off Ratio for any three consecutive Monthly Periods Pursuant to Section 6.01(e)(i)	[*****]
	(f) Line 93(d) less than or equal to line 93(e)	Yes/No
94	Principal Payment Information:	
	(a) Principal Payment Rate for current Monthly Period ((line 50 divided by line 92) times 12)	0.00%
	(b) Principal Payment Rate previous Monthly Period (prior month line 94(a))	0.00%
	(c) Principal Payment Rate two months ago (prior month line 94(b))	0.00%
	(d) Three-Month Principal Payment Rate (average of lines 94(a), (b), and (c))	0.00%
	(e) Required average Three-Month Principal Payment Rate for any three consecutive Monthly Periods Pursuant to Section 6.01(e)(ii)	[*****]
	(f) Line 94(d) is less than line 94(e)	Yes/No
95	Monthly Excess Spread Information:	

	(a)	Gross Yield ((line 27 divided by line 92) times 12)	0.00%
	(b)	Base Rate (((line 65(d) plus line 56 plus line 62) divided by line 92) times 12)	0.00%
	(c)	Charge-Off Ratio ((line 93(a))	0.00%
	(d)	Excess Spread Percentage for the current Monthly Period (((line 95(a) minus line 95(b) minus line 95(c)))	0.00%
	(e)	Excess Spread Percentage previous Monthly Period (prior month line 95(d))	0.00%
	(f)	Excess Spread Percentage two months ago (prior month line 95(e))	0.00%
	(g)	Three-Month Excess Spread Percentage (average of lines 95(d), (e), and (f))	0.00%
	(h)	Required average Three-Month Excess Spread Percentage for any three consecutive Monthly Periods Pursuant to Section 6.01(e)(iii)	**[*****]**
	(i)	Line 95(g) greater than or equal to line 95(h)	Yes/No
96		Servicing Compensation:	
	(a)	Monthly Servicing Fee ((line 18 time line 96(b))	$ -
	(b)	Servicing Fee Rate	**[*****]**
97		Backup Servicing Fee:	$ -
	(a)	Receivables – up to $50M	**[*****]**
		Receivables – $50.1-$150M	**[*****]**
		Receivables - $150M-$350M	**[*****]**
	(b)	Receivables on the last day of the Monthly Period (Line 10)	$ -

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate on mm/dd/yy.

Name: Bettie Lass
Title: Treasurer

c

Exhibit 19.1

ATLANTICUS HOLDINGS CORPORATION

POLICY STATEMENT

Regarding Securities Trading

Atlanticus Holdings Corporation ("Atlanticus") has designated its Corporate Secretary (the "Compliance Officer") as its compliance officer to be responsible for monitoring and coordinating this Policy Statement Regarding Securities Trading (this "Policy Statement"). Any questions you have with respect to this Policy Statement should be referred to the Compliance Officer.

Atlanticus is a public company. Its stock is registered with the Securities and Exchange Commission ("SEC") and trades in the public market. The conduct of Atlanticus, and of those who trade in its securities, is subject to the federal securities laws. The following Policy Statement provides an overview of the legal prohibitions against the use of confidential information for profit and sets forth Atlanticus' policies and practices with respect to insider trading and confidentiality issues.

Overview of the Legal Prohibitions Against the Use of Confidential Information

Insider Trading Liability

Generally, it is unlawful for a person possessing material nonpublic information concerning an issuer of securities (an "Insider") to purchase or sell the securities of the issuer until the information is publicly available. Violators may be subject to the following consequences:

- a civil penalty of up to three times the profit gained or loss avoided;
- a criminal fine (no matter how small the profit) of up to $1 million; and/or
- a jail term of up to ten years.

Even if an Insider is not buying or selling securities on the basis of material inside information, he or she might be liable if he or she gives the information or even a tip to another person who then buys or sells such securities on the basis of the information. In a tipping situation, both the Insider and the tippee may be subject to the above consequences. Liability may be imposed upon Atlanticus and its subsidiaries' directors, officers, employees and other insiders, as well as outsiders (advisors, consultants, etc.), who are the source of leaks of material information not yet disclosed to the public. This includes leaking information to relatives, friends, investment analysts, brokers, etc.

Material Nonpublic Information

Information is material if a reasonable investor would consider it important in deciding whether to buy, sell or hold Atlanticus' securities. Material information also has been described as information which, if known to the public, could be expected to affect the market price of the securities. Examples of such information might be:

- any financial results of Atlanticus;
- significant changes in earnings or earnings projections;
- purchases or sales of assets, including credit card portfolios;
- negotiations and agreements regarding a business combination, acquisition or divestiture or any business deal or partnering agreement;
- significant changes in management;
- significant new products or services;
- dividend increases or decreases;
- significant actions by regulatory bodies;
- major litigation; or
- impending bankruptcy or financial liquidity problems.

Information should be considered material unless it is trivial or of no interest to the public. It is not possible to identify every type of information that could be material, or every context in which otherwise ordinary information might become material. For that reason, *if you have any concern that information within your possession might be material, you should discuss such information with the Compliance Officer before you buy or sell Atlanticus' securities or discuss such information with anyone outside of Atlanticus. Please note that Atlanticus' existing Confidentiality Policy restricts sharing any information with outsiders.*

It is important to recognize that material nonpublic information need not relate only to Atlanticus and that Atlanticus may receive material nonpublic information from a number of sources. Such information usually falls into one of the following categories: (i) it relates to one of Atlanticus' subsidiaries; (ii) it relates to a former, current or prospective customer of, or supplier or consultant to Atlanticus; or (iii) it relates to a company, or the market for the stock or other securities of a company, with which Atlanticus is in discussions related to a merger, acquisition or divestiture.

Atlanticus keeps the public informed by filing periodic reports with the SEC, as well as through the distribution of prospectuses, proxy statements and annual reports to shareholders. In addition, Atlanticus from time to time makes announcements to the public, at appropriate times, regarding material developments concerning its operations. Typically, such announcements are made by press release, in order to ensure the availability of such information to all members of the investing community on an equal basis. Information should be considered nonpublic until it has been distributed to the general public as described above and a reasonable time has passed. As a general rule, information may be treated as public 48 hours after it has been broadly distributed to the general public.

Insider Trading Prohibition

As a general matter, the safest time to trade Atlanticus securities is during the five-day period beginning 48 hours after the public announcement of Atlanticus' annual and quarterly results of operations. In order to ensure the continued confidence of investors and others, and to avoid any appearance of impropriety, Atlanticus has adopted the following trading requirements and restrictions:

(1) Any employee, advisor or consultant of Atlanticus or its subsidiaries who is in possession of material nonpublic information about Atlanticus or the market for its securities is prohibited, while such information is nonpublic, from directly or indirectly purchasing, selling, or pledging the securities of Atlanticus, including any securities underlying awards issued under Atlanticus' equity incentive plans, or any right, warrant or option to purchase or sell securities of Atlanticus.

(2) Any employee, advisor or consultant of Atlanticus or its subsidiaries who is in possession of material nonpublic information obtained in the course of his or her duties for Atlanticus or its subsidiaries about any other company is prohibited, while such information is nonpublic, from directly or indirectly, purchasing, selling, or pledging the stock or other securities of that company. This rule applies without regard for whether such other company is associated with Atlanticus.

(3) The trading restrictions described above do not prohibit the exercise of certain rights to purchase securities, or purchases or sales of securities through discretionary brokerage accounts or trusts or pursuant to an Approved 10b5-1 Plan (as defined below) where the purchase or sale of securities is made automatically without advance notice to or instruction from the employee, consultant or advisor.

Additional Trading Restrictions for Covered Persons

Covered Persons

Covered Persons include the following individuals (collectively, "Covered Persons"):

- Current directors of Atlanticus;
- "Executive officers" of Atlanticus, as described in Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and all individuals designated as "officers" of Atlanticus for purposes of Section 16 under the Exchange Act ("Section 16 Officers");
- All employees and independent contractors in the accounting, finance, investor relations and legal departments of Atlanticus or any entity controlled by Atlanticus;
- Any other employee or independent contractor that has been notified by the Compliance Officer that he or she has been added as a "Covered Person" on a permanent or temporary basis; and
- Spouses, minor children and other persons living in the household of each of the foregoing groups.

Scope

Because Covered Persons are privy to a wider range of material nonpublic information (*e.g.*, information regarding quarterly results, strategic transactions or the like), this Policy Statement includes additional restrictions on transactions by such persons.

Trading Restrictions

(1) *Quarterly Blackout Period*. All Covered Persons are prohibited from trading in Atlanticus' securities during the period beginning two weeks prior to the end of each fiscal quarter and ending 48 hours after the public announcement of Atlanticus' annual or quarterly results of operations ("Quarterly Blackout Period"), unless such transaction is approved in advance by the Compliance Officer.

(2) *Possession of Material Nonpublic Information during an Open Window*. A Covered Person possessing material nonpublic information may not trade in Atlanticus securities even during an open trading window whether or not Atlanticus has recommended a suspension of trading. In this event, such a person may trade during a trading window only after the earlier of (x) the close of trading on the second full trading day following Atlanticus' widespread public release of such information and (y) a reasonable determination that such information no longer constitutes material nonpublic information.

(3) *Additional Blackout Periods*. From time to time, other types of material nonpublic information regarding Atlanticus (such as negotiation of mergers, acquisitions or dispositions or other material events) may exist. While such material nonpublic information is pending, Atlanticus may impose an additional blackout period (an "Additional Blackout Period") during which Covered Persons are prohibited from trading in Atlanticus' securities. Any Additional Blackout Period shall be communicated to Covered Persons by the Compliance Officer.

(4) *Exception for Approved Rule 10b5-1 Plans*. These trading restrictions do not apply to transactions by Covered Persons under a pre-existing written plan, contract, instruction or arrangement under Exchange Act Rule 10b5-1 ("Approved 10b5-1 Plan") that:

(a) has been reviewed and approved in advance of its adoption by the Compliance Officer (or, if an Approved 10b5-1 Plan is to be revised or amended, such revision or amendment has been reviewed and approved in advance by the Compliance Officer);

(b) was entered into in good faith by the Covered Person outside a Quarterly Blackout Period and an Additional Blackout Period and at a time when he or she was not in possession of material nonpublic information about Atlanticus; and

(c) gives a third party the authority to execute such purchases and sales, outside the control of the applicable Covered Person, provided such third party does not possess any material nonpublic information about Atlanticus, or explicitly specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions.

Pre-clearance of Securities Transactions

(1) Because Covered Persons are likely to obtain material nonpublic information on a regular basis, Atlanticus requires all Covered Persons to obtain a pre-clearance, even outside a Quarterly Blackout Period and an Additional Blackout Period, from the Compliance Officer for all transactions in Atlanticus' securities. Transactions by the Compliance Officer must be pre-cleared by Atlanticus' Chief Executive Officer. The Compliance Officer must be notified (either verbally or in writing) of any proposed transaction at least two business days before the transaction is expected to occur.

(2) These procedures also apply to transactions by such person's spouse, minor children and other persons living in such person's household and to transactions by entities over which such person exercises control.

(3) Unless revoked, a pre-clearance will normally remain valid until the close of trading *two days following the day on which it was granted*. If the transaction does not occur during the two-day period, pre-clearance of the transaction must be re-requested.

(4) If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

(5) Pre-clearance is not required for purchases and sales of securities under an Approved 10b5-1 Plan. With respect to any purchase or sale under an Approved 10b5-1 Plan, the third party effecting transactions on behalf of the applicable Covered Person should be instructed to send duplicate confirmations of all such transactions to the Compliance Officer.

Compliance Efforts and Sanctions for Noncompliance

(1) Responsibility for Compliance. You are personally responsible for ensuring that you have complied with the provisions and intent of this Policy Statement.

(2) Company Sanctions. The failure to comply with this Policy Statement may result in sanctions being imposed by Atlanticus (up to and including dismissal).

(3) Legal Consequences. This Policy Statement is not intended to result in the imposition of, or create, civil or criminal liability that would not exist if Atlanticus had not adopted this Policy Statement. However, as noted above, some of the conduct governed by this Policy Statement is also subject to federal law, and may be subject to other laws. If you have any concerns regarding compliance with such laws, you should contact the Compliance Officer for assistance.

Certification

I have read and understand the purposes and provisions of this Policy Statement regarding corporate communications and securities trading. I agree not to violate the provisions of this Policy Statement.

Date: _____ Signature: _____

Print Name:_____

Insider Trading Policy Statement

Atlanticus Holdings Corporation

March 14, 2023

Exhibit 21.1

Subsidiaries of the Registrant

Name	State or other Jurisdiction of Incorporation or Organization
59DH, LLC (1)	Georgia
AAMG, LLC	Georgia
Access Financial Holdings, LLC	Georgia
Access Financing LLC	Georgia
Agea Capital, LLC	Nevada
Apex Funding, LLC	Georgia
Atlanticus Holdings Corporation	Georgia
Atlanticus Services Corporation	Georgia
CAR Financial Services Guam Inc.	Guam
CAR Financial Services Inc.	Georgia
CAR Financial Services Saipan Inc.	Saipan
CAR Funding II Inc.	Nevada
CARS Acquisition LLC	Georgia
CCFC Corp.	Nevada
CC Serve Corporation	Georgia
CCUK Finance Limited	United Kingdom
CCUK Holding Limited	United Kingdom
CIAC Corporation	Nebraska
Consumer Auto Receivables Servicing LLC	Georgia
Curae Finance, LLC (2)	Georgia
Express Financial LLC	Georgia
Fortiva Financial LLC	Georgia
Fortiva Funding LLC	Georgia
Fortiva Funding V LLC	Georgia
Fortiva Funding VI, LLC	Georgia
Fortiva Funding X, LLC	Georgia
Fortiva Funding XI, LLC	Georgia
Fortiva Retail Services, LLC	Georgia
Fortiva Holdings LLC	Georgia
FRC Funding Corporation	Nevada
Imagine Retail Services, LLC	Georgia
Mobile Tech Investments, LLC (3)	Nevada
Ochotiva, LLC	Georgia
Perimeter Funding Corporation	Nevada

Name	State or other Jurisdiction of Incorporation or Organization
Perimeter Investment Enterprise, LLC	Georgia
Polygon Servicing LLC	Georgia
Portfolio Investments Corporation	Nevada
Receivables Funding, LLC	Georgia

(1) The Company owns 66.7% of 59DH, LLC
(2) The Company owns 80.0% of Curae Finance, LLC
(3) The Company owns 89.8% of Mobile Tech Investments, LLC

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Atlanticus Holdings Corporation

Atlanta, Georgia

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-255834) and Form S-8 (Nos. 333-150988, 333-196041, 333-211351, 333-218058, 333-224981, and 333-231578) of Atlanticus Holdings Corporation ("the Company") of our reports dated March 4, 2024, relating to the consolidated financial statements, and the effectiveness of the Company's internal control over financial reporting, which appear in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

Atlanta, Georgia
March 4, 2024

Exhibit 31.1

CERTIFICATIONS

I, Jeffrey A. Howard, certify that:

1. I have reviewed this Report on Form 10-K of Atlanticus Holdings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report; and

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the fourth fiscal period in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2024

/s/ JEFFREY A. HOWARD
Jeffrey A. Howard
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, William R. McCamey, certify that:

1. I have reviewed this Report on Form 10-K of Atlanticus Holdings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report; and

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the fourth fiscal period in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2024

/s/ WILLIAM R. McCAMEY
William R. McCamey
Chief Financial Officer

Exhibit 32.1

CERTIFICATION

The undersigned, as the President and Chief Executive Officer, and as the Chief Financial Officer, respectively, of Atlanticus Holdings Corporation, certify that, to the best of their knowledge and belief, the Annual Report on Form 10-K for the year ended December 31, 2023, which accompanies this certification fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of Atlanticus Holdings Corporation at the dates and for the periods indicated. The foregoing certifications are made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350) and shall not be relied upon for any other purpose.

This 4rth day of March, 2024.

/s/ JEFFREY A. HOWARD
Jeffrey A. Howard
President and
Chief Executive Officer

/s/ WILLIAM R. McCAMEY
William R. McCamey
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Atlanticus Holdings Corporation and will be retained by Atlanticus Holdings Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 97.1

ATLANTICUS HOLDINGS CORPORATION

CLAWBACK POLICY

The Board of Directors (the "Board") of Atlanticus Holdings Corporation (the "Company") has adopted this Clawback Policy (this "Policy") on November 7, 2023, effective as of October 2, 2023 (the "Effective Date").

1. Purpose. The purpose of this Policy is to provide for the recoupment of certain incentive compensation pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, in the manner required by Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 10D-1 promulgated thereunder, and the Listing Standard (as defined below) (collectively, the "Dodd-Frank Rules").

2. Administration. This Policy shall be administered by the Compensation Committee. Any determinations made by the Compensation Committee shall be final and binding on all affected individuals.

3. Definitions. For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

(a)" ***Accounting Restatement***" shall mean an accounting restatement of the Company's financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (*i.e.,* a "Big R" restatement), or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (*i.e.,* a "little r" restatement).

(b)" ***Affiliate***" shall mean each entity that directly or indirectly controls, is controlled by, or is under common control with the Company.

(c)" ***Clawback Eligible Incentive Compensation***" shall mean Incentive-Based Compensation Received by a Covered Executive (i) on or after the Effective Date, (ii) after beginning service as a Covered Executive, (iii) if such individual served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation (irrespective of whether such individual continued to serve as a Covered Executive upon or following the Restatement Trigger Date), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period. For the avoidance of doubt, Incentive-Based Compensation Received by a Covered Executive on or after the Effective Date could, by the terms of this Policy, include amounts approved, awarded, or granted prior to such date.

(d)" ***Clawback Period***" shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Trigger Date and any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of at least nine months shall count as a completed fiscal year).

(e)" ***Company Group***" shall mean the Company and its Affiliates.

(f)" ***Covered Executive***" shall mean any "executive officer" of the Company as defined under the Dodd-Frank Rules, and, for the avoidance of doubt, includes each individual identified as an executive officer of the Company in accordance with Item 401(b) of Regulation S-K under the Exchange Act.

(g)" ***Erroneously Awarded Compensation***" shall mean the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid. With respect to any compensation plan or program that takes into account Incentive-Based Compensation, the amount contributed to a notional account that exceeds the amount that otherwise would have been contributed had it been determined based on the restated amount, computed without regard to any taxes paid, shall be considered Erroneously Awarded Compensation, along with earnings accrued on that notional amount.

(h)" ***Exchange***" shall mean The Nasdaq Stock Market.

(i)" ***Financial Reporting Measures***" shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall for purposes of this Policy be considered Financial Reporting Measures. For the avoidance of doubt, a measure need not be presented in the Company's financial statements or included in a filing with the U.S. Securities and Exchange Commission (the "SEC") in order to be considered a Financial Reporting Measure.

(j)" ***Incentive-Based Compensation***" shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(k)" ***Listing Standard***" shall mean Nasdaq Listing Rule 5608.

(l)" ***Received***" shall mean the deemed receipt of Incentive-Based Compensation. Incentive-Based Compensation shall be deemed received for this purpose in the Company's fiscal period during which the Financial Reporting Measure specified in the applicable Incentive-Based Compensation award is attained, even if payment or grant of the Incentive-Based Compensation occurs after the end of that period.

(m)" ***Restatement Trigger Date***" shall mean the earlier to occur of (i) the date the Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

4. **Recoupment of Erroneously Awarded Compensation**. Upon the occurrence of a Restatement Trigger Date, the Company shall recoup Erroneously Awarded Compensation reasonably promptly, in the manner described below. For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation under this Policy is not dependent on if or when restated financial statements are filed following the Restatement Trigger Date.

(a) ***Process.*** The Compensation Committee shall use the following process for recoupment:

(i) First, the Compensation Committee will determine the amount of any Erroneously Awarded Compensation for each Covered Executive in connection with such Accounting Restatement. For Incentive-Based Compensation based on (or derived from) stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Compensation Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Exchange).

(ii) Second, the Compensation Committee will provide each affected Covered Executive with a written notice stating the amount of the Erroneously Awarded Compensation, a demand for recoupment, and the means of recoupment that the Company will accept.

(b) ***Means of Recoupment.*** The Compensation Committee shall have discretion to determine the appropriate means of recoupment of Erroneously Awarded Compensation, which may include without limitation: (i) recoupment of cash or shares of Company stock, (ii) forfeiture of unvested cash or equity awards (including those subject to service-based and/or performance-based vesting conditions), (iii) cancellation of outstanding vested cash or equity awards (including those for which service-based and/or performance-based vesting conditions have been satisfied), (iv) to the extent consistent with Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), offset of other amounts owed to the Covered Executive or forfeiture of deferred compensation, (v) reduction of future compensation, and (vi) any other remedial or recovery action permitted by law. Notwithstanding the foregoing, the Company Group makes no guarantee as to the treatment of such amounts under Section 409A, and shall have no liability with respect thereto. For the avoidance of doubt, appropriate means of recoupment may include amounts approved, awarded, or granted prior to the Effective Date. Except as set forth in Section 4(d) below, in no event may the Company Group accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of a Covered Executive's obligations hereunder.

(c) ***Failure to Repay.*** To the extent that a Covered Executive fails to repay all Erroneously Awarded Compensation to the Company Group when due (as determined in accordance with Section 4(a) above), the Company shall, or shall cause one or more other members of the Company Group to, take all actions reasonable and appropriate to recoup such Erroneously Awarded Compensation from the applicable Covered Executive. The applicable Covered Executive shall be required to reimburse the Company Group for any and all expenses reasonably incurred (including legal fees) by the Company Group in recouping such Erroneously Awarded Compensation.

(d) ***Exceptions.*** Notwithstanding anything herein to the contrary, the Company shall not be required to recoup Erroneously Awarded Compensation if one of the following conditions is met and the Compensation Committee determines that recoupment would be impracticable:

(i) The direct expense paid to a third party to assist in enforcing this Policy against a Covered Executive would exceed the amount to be recouped, after the Company has made a reasonable attempt to recoup the applicable Erroneously Awarded Compensation, documented such attempts, and provided such documentation to the Exchange;

(ii) Recoupment would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recoup any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the Exchange, that recoupment would result in such a violation and a copy of the opinion is provided to the Exchange; or

(iii) Recoupment would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

5. Reporting and Disclosure. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Dodd-Frank Rules.

6. Indemnification Prohibition. No member of the Company Group shall be permitted to indemnify any current or former Covered Executive against (i) the loss of any Erroneously Awarded Compensation that is recouped pursuant to the terms of this Policy, or (ii) any claims relating to the Company Group's enforcement of its rights under this Policy. The Company may not pay or reimburse any Covered Executive for the cost of third-party insurance purchased by a Covered Executive to fund potential recoupment obligations under this Policy.

7. Acknowledgment. To the extent required by the Compensation Committee, each Covered Executive shall be required to sign and return to the Company the acknowledgement form attached hereto as Exhibit A pursuant to which such Covered Executive will agree to be bound by the terms of, and comply with, this Policy. For the avoidance of doubt, each Covered Executive will be fully bound by, and must comply with, the Policy, whether or not such Covered Executive has executed and returned such acknowledgment form to the Company.

8. Interpretation. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. The Compensation Committee intends that this Policy be interpreted consistent with the Dodd-Frank Rules.

9. Amendment; **Termination**. The Compensation Committee may amend or terminate this Policy from time to time in its discretion, including as and when it determines that it is legally required to do so by any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are listed.

10. Other Recoupment Rights. The Compensation Committee intends that this Policy be applied to the fullest extent of the law. The Compensation Committee may require that any employment agreement, equity award, cash incentive award, or any other agreement entered into be conditioned upon the Covered Executive's agreement to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company Group, whether arising under applicable law, regulation or rule, pursuant to the terms of any other policy of the Company Group, pursuant to any employment agreement, equity award, cash incentive award, or other agreement applicable to a Covered Executive, or otherwise (the "Separate Clawback Rights"). Notwithstanding the foregoing, there shall be no duplication of recovery of the same Erroneously Awarded Compensation under this Policy and the Separate Clawback Rights, unless required by applicable law.

11. **Successors**. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit A

ATLANTICUS HOLDINGS CORPORATION

CLAWBACK POLICY

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Atlanticus Holdings Corporation Clawback Policy (the "***Policy***"). Capitalized terms used but not otherwise defined in this Acknowledgement Form (this "***Acknowledgement Form***") shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company Group. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company Group reasonably promptly to the extent required by, and in a manner permitted by, the Policy, as determined by the Compensation Committee of the Company's Board of Directors in its sole discretion.

Sign: _____

Name: [Employee]

Date: _____