
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

- ☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

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

For the transition period from _____ to _____

Commission File Number 001-42718



Jefferson Capital, Inc.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

33-1923926

(IRS Employer Identification No.)

**600 SOUTH HIGHWAY 169, SUITE 1575,
MINNEAPOLIS, MINNESOTA 55426**

(Address of principal executive offices, zip code)

(320) 229-8505

(Registrant's telephone number, including area code)

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on which Registered</u>
Common stock, \$0.0001 par value per share	JCAP	Nasdaq Global Select Market

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, a 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 ☐

Non-accelerated filer ☒

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of August 13, 2026 was 57,425,536.

TABLE OF CONTENTS

	<u>Page</u>
<u>Part I — Financial Information</u>	5
<u>Item 1 — Combined and Condensed Consolidated Financial Statements</u>	5
<u>Combined and Condensed Consolidated Balance Sheets as of June 30, 2026 (Unaudited) and December 31, 2025</u>	5
<u>Combined and Condensed Consolidated Statements of Operations and Comprehensive Income for the three and</u>	
<u>six months ended June 30, 2026 and 2025 (Unaudited).</u>	6
<u>Combined and Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended</u>	
<u>June 30, 2026 and 2025 (Unaudited).</u>	7
<u>Combined and Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and</u>	
<u>2025 (Unaudited).</u>	8
<u>Notes to Combined and Condensed Consolidated Financial Statements (Unaudited)</u>	10
<u>1. Organization, Description of Business and Summary of Significant Accounting Policies</u>	10
<u>2. Earnings Per Share</u>	13
<u>3. Acquisitions</u>	13
<u>4. Fair Value Measurements</u>	14
<u>5. Investment in receivables, net</u>	16
<u>6. Credit Card Receivables</u>	17
<u>7. Goodwill</u>	18
<u>8. Notes Payable, Net</u>	19
<u>9. Stock Based Compensation</u>	22
<u>10. Commitments and Contingencies</u>	25
<u>11. Income Taxes</u>	26
<u>12. Segment Reporting</u>	27
<u>13. Subsequent Events</u>	28
<u>Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	29
<u>Item 3 — Quantitative and Qualitative Disclosures about Market Risk</u>	61
<u>Item 4 — Controls and Procedures</u>	62
 <u>Part II — Other Information</u>	 63
<u>Item 1 — Legal Proceedings</u>	63
<u>Item 1A — Risk Factors</u>	63
<u>Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds</u>	63
<u>Item 3 — Defaults Upon Senior Securities</u>	63
<u>Item 4 — Mine Safety Disclosures</u>	63
<u>Item 5 — Other Information</u>	64
<u>Item 6 — Exhibits</u>	64
<u>Signatures</u>	66

BASIS OF PRESENTATION

Except as otherwise indicated or as the context otherwise requires, all references in this Quarterly Report on Form 10-Q (the “Quarterly Report”) to the “Company,” “we,” “our,” and “us” and similar terms refer to Jefferson Capital, Inc. a Delaware corporation, together with its subsidiaries. Unless otherwise indicated, all references to our financial information are to the combined and condensed consolidated financial information of the Company and references to “dollars” and “\$” in this Quarterly Report are to, and amounts are presented in, U.S. dollars. Financial data as of and for the three and six months ended June 30, 2026 and twelve months ended December 31, 2025, respectively, relate to financial information of the Company on a combined and condensed consolidated basis. All amounts referred to in the combined and condensed consolidated financial statements have been rounded to the nearest thousand, unless otherwise stated. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

Special Note Regarding Forward-Looking Statements

This Quarterly Report contains forward-looking statements about Jefferson Capital, Inc. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date hereof. These forward-looking statements cover, among other things, future economic conditions and the anticipated future revenue, expenses, financial condition, asset quality, capital and liquidity levels, plans, prospects and operations of Jefferson Capital, Inc. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “projects,” “forecasts,” “intends,” “plans,” “goals,” “believes,” “continue” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.”

Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those set forth in forward-looking statements. Factors that may materially affect such forward-looking statements include:

- Deterioration in general business and economic conditions or turbulence in domestic or global financial markets, which could adversely affect Jefferson Capital, Inc.’s revenues and the values of its assets and liabilities;
- Turmoil and volatility in the financial services industry;
- Actions taken by governmental agencies to stabilize the financial system and the effectiveness of such actions;
- Changes in interest rates;
- Increases in unemployment rates;
- Impacts of current, pending or future litigation and governmental proceedings;
- Increased competition from both banks and non-banks;
- Effects of climate change and related physical and transition risks;
- Changes in customer behavior and preferences and the ability to implement technological changes to respond to customer needs and meet competitive demands;
- Failures or disruptions in or breaches of Jefferson Capital, Inc.’s operational, technology or security systems or infrastructure, or those of third parties, including as a result of cybersecurity incidents;
- Failures to safeguard personal information;
- Impacts of pandemics, natural disasters, terrorist activities, civil unrest, international hostilities and geopolitical events;
- Impacts of supply chain disruptions, rising inflation, slower growth or a recession;
- Failure to execute on strategic or operational plans;
- Effects of mergers and acquisitions and related integration;
- Effects of critical accounting policies and judgments;
- Effects of changes in or interpretations of tax laws and regulations; and
- Management’s ability to effectively manage market risk, operational risk, compliance risk, strategic risk, liquidity risk and reputation risk.

Factors other than these risks, including those described under the sections in this Quarterly Report entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report, also could adversely affect Jefferson Capital, Inc.’s results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date hereof, and Jefferson Capital, Inc. undertakes no obligation to update them in light of new information or future events, except as required by applicable law.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

Part 1. Financial Information

Jefferson Capital, Inc. Combined and Condensed Consolidated Balance Sheets (Unaudited, in Thousands)

	As of June 30, 2026	As of December 31, 2025
Assets		
Cash and cash equivalents	\$ 20,406	\$ 23,231
Restricted cash	5,641	24,320
Accounts receivable	16,901	12,245
Other assets	14,281	16,273
Investments in receivables, net	1,946,819	1,928,742
Credit card receivables (net of allowance for credit losses of \$1,598 and \$1,784)	15,042	16,312
Property, plant and equipment, net	1,711	1,695
Other intangible assets, net	5,246	6,541
Goodwill	57,761	58,014
Total Assets	\$ 2,083,808	\$ 2,087,373
Liabilities		
Accounts payable and accrued expenses	\$ 73,285	\$ 95,208
Other liabilities	3,777	4,179
Current tax liabilities	1,074	855
Deferred tax liabilities	123,688	101,957
Notes payable, net	1,405,794	1,409,039
Total Liabilities	\$ 1,607,618	\$ 1,611,238
Stockholders' Equity		
Common Stock par value \$0.0001 per share; 330,000,000 shares authorized as of June 30, 2026 and December 31, 2025 and 57,435,586 and 58,298,923 shares issued and outstanding as of June 30, 2026 and December 31, 2025	\$ 6	\$ 6
Additional paid-in capital	(32,692)	(49,549)
Retained earnings	513,057	522,632
Accumulated other comprehensive income (loss)	(4,181)	3,046
Total stockholders' equity	\$ 476,190	\$ 476,135
Total Liabilities and Stockholders' Equity	\$ 2,083,808	\$ 2,087,373

See accompanying notes to the combined and condensed consolidated financial statements.

Jefferson Capital, Inc.
Combined and Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited, in Thousands, except Per Share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues				
Total portfolio income	\$ 156,253	\$ 138,877	\$ 313,859	\$ 277,571
Changes in recoveries	9,010	1,556	16,067	5,176
Total portfolio revenue	165,263	140,433	329,926	282,747
Credit card revenue	1,623	1,798	3,358	3,696
Servicing revenue	10,654	10,477	20,695	21,208
Total Revenues	177,540	152,708	353,979	307,651
Provision for credit losses	757	560	1,380	1,101
Operating Expenses				
Salaries and benefits	21,880	6,254	44,255	20,276
Servicing expenses	64,822	43,546	130,400	86,339
Depreciation and amortization	844	1,250	1,716	2,854
Professional fees	3,053	9,444	5,334	11,611
Other selling, general and administrative	4,751	5,013	9,275	9,562
Total Operating Expenses	95,350	65,507	190,980	130,642
Net Operating Income	81,433	86,641	161,619	175,908
Other Income (Expense)				
Interest expense	(30,370)	(25,824)	(60,948)	(50,717)
Foreign exchange and other income (expense)	2,270	1,089	3,718	3,620
Total other expense	(28,100)	(24,735)	(57,230)	(47,097)
Income Before Income Taxes	53,333	61,906	104,389	128,811
Provision for income taxes	(12,037)	(14,255)	(25,460)	(16,935)
Net Income	41,296	47,651	78,929	111,876
Foreign currency translation gain / (loss)	(1,525)	14,432	(7,226)	18,316
Comprehensive Income	\$ 39,771	\$ 62,083	\$ 71,703	\$ 130,192
Earnings per share				
Basic	\$ 0.67	\$ 18.61	\$ 1.28	\$ 86.88
Diluted	0.67	16.76	1.28	78.26
Weighted average common shares outstanding				
Basic	55,515	2,561	55,552	1,288
Diluted	55,519	2,843	55,554	1,430

See accompanying notes to the combined and condensed consolidated financial statements.

Jefferson Capital, Inc.
Combined and Condensed Consolidated Statements of Stockholder's Equity
(Unaudited, in Thousands, except per share amounts)

	Common Stock		Accumulated Other Comprehensive	Additional Paid-in Capital	Retained	Total
	Share	Par	Income (Loss)		Earnings	Equity
Balance, March 31, 2026	55,372	\$ 6	\$ (2,655)	\$ (41,024)	\$ 486,548	\$ 442,875
Net income					41,296	41,296
Dividends to stockholders (\$0.24 per share)					(14,788)	(14,788)
Shares issued	2,064	—				—
Stock based compensation				8,332		8,332
Foreign currency translation			(1,525)			(1,525)
Balance, June 30, 2026	<u>57,436</u>	<u>\$ 6</u>	<u>\$ (4,181)</u>	<u>\$ (32,692)</u>	<u>\$ 513,056</u>	<u>\$ 476,190</u>
Balance, March 31, 2025		\$ —	\$ (11,709)	\$ —	\$ 446,349	\$ 434,640
Net income					47,651	47,651
Dividends to stockholders (\$0.24 per share)					(16,424)	(16,424)
Shares issued	64,685	6		8,719		8,725
Foreign currency translation			14,432			14,432
Reorganization adjustments				(78,216)		(78,216)
Balance, June 30, 2025	<u>64,685</u>	<u>\$ 6</u>	<u>\$ 2,723</u>	<u>\$ (69,497)</u>	<u>\$ 477,576</u>	<u>\$ 410,808</u>
Balance, December 31, 2025	58,299	\$ 6	\$ 3,046	\$ (49,549)	\$ 522,632	476,135
Net income					78,929	78,929
Dividends to stockholders (\$0.24 per share)					(29,593)	(29,593)
Shares issued	2,137	—				—
Shares repurchased	(3,000)	—			(58,912)	(58,912)
Stock based compensation				16,857		16,857
Foreign currency translation			(7,226)			(7,226)
Balance, June 30, 2026	<u>57,436</u>	<u>\$ 6</u>	<u>\$ (4,181)</u>	<u>\$ (32,692)</u>	<u>\$ 513,056</u>	<u>\$ 476,190</u>
Balance, December 31, 2024			\$ (15,593)	\$ —	\$ 398,122	\$ 382,529
Net income					111,876	111,876
Dividends to stockholders (\$0.24 per share)					(32,422)	(32,422)
Shares issued	64,685	6		8,719		8,725
Foreign currency translation			18,316			18,316
Reorganization adjustments				(78,216)		(78,216)
Balance, June 30, 2025	<u>64,685</u>	<u>\$ 6</u>	<u>\$ 2,723</u>	<u>\$ (69,497)</u>	<u>\$ 477,576</u>	<u>\$ 410,808</u>

See accompanying notes to the combined and condensed consolidated financial statements.

Jefferson Capital, Inc.
Combined and Condensed Consolidated Statements of Cash Flows
(Unaudited, in Thousands)

	For the Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities		
Net income	\$ 78,929	\$ 111,876
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	1,716	2,854
Amortization of debt issuance costs	3,337	2,494
Provision for credit losses	1,380	1,101
Change in Recoveries	(16,067)	—
Stock-based compensation	16,857	—
Deferred income tax	21,893	12,386
Changes in assets and liabilities:		
Other assets	2,032	(2,812)
Accounts receivable	(4,745)	(3,175)
Accounts payable and accrued expenses	(22,438)	5,841
Net cash provided by operating activities	82,894	130,565
Cash flows from investing activities		
Purchases of receivables, net	(301,947)	(300,501)
Purchases of credit card receivables	(11,890)	(13,138)
Collections applied to investments in receivables, net	296,889	233,761
Collections applied to credit card receivables	11,501	13,479
Purchases of property and equipment, net	(531)	(539)
Net cash used in investing activities	(5,978)	(66,938)
Cash flow from financing activities		
Proceeds from notes payable	412,452	681,790
Payments on notes payable	(417,798)	(694,872)
Payment of debt issuance costs	(935)	(7,605)
Dividends paid to stockholders	(29,592)	(32,422)
Proceeds of common stock	—	10,000
Repurchase of common stock	(58,912)	—
Net used in financing activities	(94,785)	(43,109)
Exchange rate effects on cash balances held in foreign currencies	(3,635)	(3,261)
Net decrease in cash and cash equivalents and restricted cash	(21,504)	17,257
Cash and cash equivalents and restricted cash, beginning of period	47,551	38,243
Cash and cash equivalents and restricted cash, end of period	\$ 26,047	\$ 55,500

See accompanying notes to the combined and condensed consolidated financial statements.

Jefferson Capital, Inc.
Combined and Condensed Consolidated Statements of Cash Flows
(Unaudited, in Thousands)

	For the Six Months Ended June 30,	
	2026	2025
Supplemental cash flow disclosures		
Interest paid	\$ 57,611	\$ 43,450
Income taxes paid	\$ 4,272	\$ 4,748
New leases assumed	\$ 45	\$ 321
Deferred tax liability recognized in connection with reorganization	\$ —	\$ 79,484
Reconciliation to combined and condensed consolidated balance sheet accounts		
Cash and cash equivalents	\$ 20,406	\$ 51,651
Restricted cash	5,641	3,849
Total cash and cash equivalents and restricted cash as shown in the combined and condensed consolidated statements of cash flows	<u>\$ 26,047</u>	<u>\$ 55,500</u>

See accompanying notes to the combined and condensed consolidated financial statements.

Jefferson Capital, Inc.
Notes to Combined and Condensed Consolidated Financial Statements (unaudited)

1. Organization, Description of Business and Summary of Significant Accounting Policies

The accompanying combined and condensed consolidated financial statements include the combined and condensed consolidated results of operations of Jefferson Capital, Inc., and its subsidiaries (the “Company”). Jefferson Capital, Inc. is a Delaware corporation headquartered in Minneapolis, Minnesota.

The Company and its subsidiaries in the U.S., Canada, the U.K and Latin America provide debt recovery solutions and other related services across a broad range of consumer receivables, including credit card, secured and unsecured automotive, utilities, telecom, and other receivables. The Company primarily purchases portfolios of consumer receivables at deep discounts to face value and manages them by working with individuals as they repay their obligations and work toward financial recovery. Previously charged-off receivables include receivables subject to bankruptcy proceedings. The Company also provides debt servicing and other portfolio management services to credit originators for non-performing loans. Through credit card acquisition programs, the Company earns credit card revenue. All deployments are purchased from independent third parties.

The Company purchases portfolios of receivables from a diverse client base, including Fortune 500 creditors, banks, fintech origination platforms, telecommunications providers, credit card issuers, and auto finance companies. The Company’s top five clients accounted for 40.7% and 41.0%, with the top client representing 9.5% and 12.3% of purchases for the six months ended June 30, 2026 and 2025, respectively. For credit card receivables, the Company purchases from two issuers.

Initial Public Offering June 2025

In June 2025, the Company completed its initial public offering (the “IPO”), in which the selling shareholders sold 10,875,000 shares after giving effect to the underwriters’ exercise of the over-allotment option, at a public offering price of \$15.00 per share. The Company also issued and sold 625,000 shares of its common stock in the IPO, which resulted in net proceeds of \$4.5 million after deducting the underwriting discounts and commissions. Prior to the IPO, our business operations were generally conducted through Jefferson Capital Holdings, LLC, and its subsidiaries. JCAP TopCo, LLC is a holding company and the direct parent of Jefferson Capital Holdings, LLC. JCAP TopCo, LLC was owned by (i) entities affiliated with J.C. Flowers, (ii) members of Management Invest, LLC, and (iii) former equity holders of Canaccede.

Following a series of transactions that we refer to collectively as the “Reorganization,” Jefferson Capital, Inc. became a holding company with no material assets other than 100% of the equity interests in JCAP TopCo, LLC, which is held by Jefferson Capital, Inc. both directly and indirectly through other wholly-owned holding companies that have no material assets other than direct or indirect equity interests in JCAP TopCo, LLC. JCAP TopCo, LLC remains a holding company with no material assets other than 100% of the equity interests in Jefferson Capital Holdings, LLC. Jefferson Capital, Inc. also succeeded to federal Net Operating Losses (the “NOLs”), state NOLs and tax credit carryforwards under Section 381 of the Code as a result of its acquisition in the Reorganization of certain affiliated corporations that held direct or indirect equity interests in JCAP TopCo, LLC. As indirect parent of Jefferson Capital Holdings, LLC, following the Reorganization, Jefferson Capital, Inc. operates and controls all of the business and affairs, and consolidates the financial results of, Jefferson Capital Holdings, LLC, and its subsidiaries. To effect the Reorganization, the then-current direct and indirect owners of JCAP TopCo, LLC, including (i) entities affiliated with J.C. Flowers, (ii) members of Management Invest, LLC, an entity through which employees of JCAP TopCo, LLC and its subsidiaries and certain of our directors held equity interests, and (iii) former equity holders of Canaccede, exchanged their direct and indirect interests in JCAP TopCo, LLC for shares of our common stock. We refer to the entities affiliated with J.C. Flowers, members of Management Invest, LLC and former stockholders of Canaccede who own shares of our common stock following the Reorganization and the IPO as the “JCF Stockholders,” “Management Stockholders” and “Former Canaccede Stockholders,” respectively. As of June 30, 2026, as a result of the Reorganization and after giving effect to the completion of the IPO at the initial public offering price of \$15.00 per share and after the equity offering in January 2026:

- the investors in the IPO collectively own 32.4% of our common stock;

- the JCF Stockholders collectively owned 53.1% of the outstanding shares of our common stock as of June 30, 2026. In January 2026, we executed a follow-on equity offering, which reduced the ownership of JCF Stockholders from 67.6%. The company repurchased \$58.9 million of shares of our common stock to support that transaction;
- the Management Stockholders collectively own 14.5%;
- The number of shares of common stock received by the JCF Stockholders, the Former Canaccede Stockholders and the Management Stockholders in exchange for the 132,828,019 Class A Units and Class C Units of JCAP TopCo, LLC outstanding immediately prior to the Reorganization was based on an exchange ratio of one share of our common stock for every 2.4150549 interests in JCAP TopCo, LLC (the “Exchange Ratio”), resulting in an aggregate of 55,000,000 shares of our common stock being issued in exchange for such Class A Units and Class C units.

In addition, based on the initial public offering price of \$15.00 per share, an aggregate of 9,060,082 shares of common stock were issued in exchange for the 27,937,232 Class B Units of JCAP TopCo, LLC outstanding immediately prior to the Reorganization, resulting in a total of 64,060,082 shares of common stock outstanding immediately after the Reorganization and before giving effect to the IPO. The number of shares of common stock that the Management Stockholders collectively received pursuant to the Reorganization was based in part on the value that Management Invest, LLC would have received under the distribution provisions of the limited liability agreement of JCAP TopCo, LLC, with shares of our common stock valued by reference to the ultimate initial public offering price of shares of common stock in the IPO. Specifically, of the 9,060,082 shares of common stock issued to the Management Stockholders in the Reorganization, 6,418,775 shares were issued in respect of Class B Units of Management Invest, LLC (which correspond to Class B Units of JCAP TopCo, LLC) that are “in- the-money” but remain subject to certain vesting conditions specified in individual award agreements. These shares were issued as restricted stock either with the same time-based vesting requirements that the corresponding Class B Units were subject to prior to the Reorganization or, if such corresponding Class B Units had performance vesting requirements, with a three year time-vesting requirement. If the vesting conditions of the restricted stock are not satisfied, such restricted stock will be forfeited and canceled.

Basis of Presentation

The accompanying unaudited combined and condensed consolidated interim financial statements include our accounts and those of our wholly-owned subsidiaries, and they reflect all adjustments which are necessary for a fair statement of results of operations, financial position, and cash flows as if entities had been combined and consolidated for all periods presented and are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Such unaudited combined and condensed consolidated interim financial statements have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

These unaudited combined and condensed consolidated interim financial statements should be read in conjunction with our financial statements for the year ended December 31, 2025 and have been prepared on a consistent basis with the accounting policies described in Note 1 of the Notes to the Combined and Consolidated Financial Statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025 (the “2025 Form 10-K”).

All intercompany transactions and balances have been eliminated in consolidation.

Translation of Foreign Currencies

The combined and condensed consolidated financial statements of certain of the Company’s foreign subsidiaries are measured using their local currency as the functional currency. Assets and liabilities of foreign operations are translated into U.S. dollars using period-end exchange rates, and revenues and expenses are translated into U.S. dollars using average exchange rates in effect during each period. The resulting translation adjustments are recorded as a component of other comprehensive income or loss. Revenues and expenses are translated monthly utilizing average exchange rates and assets and liabilities are translated as of the balance sheet date utilizing the period end exchange rate.

Equity accounts are translated at historical rates, except for the change in retained earnings during the year which is the result of the income statement translation process. Intercompany transaction gains or losses at each period end arising from subsequent measurement of balances for which settlement is not planned or anticipated in the foreseeable future are included as translation adjustments and recorded within other comprehensive income or loss. Translation gains or losses are the material components of accumulated other comprehensive income or loss.

Use of Estimates

The combined and condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), and these principles require making estimates and assumptions affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the combined and condensed consolidated financial statements, as well as the reported amounts of revenues and expenses during each reporting period. These estimates are based on information available as of the date of the combined and condensed consolidated financial statements. The actual results could differ materially from these estimates. Significant estimates include the determination of recovery income associated with the investment in charged off receivables. The recognition of revenue from previously charged-off receivables is primarily calculated using ASC 326 – Financial Instruments – Credit Losses, which is commonly referred to as the Current Expected Credit Loss model or “CECL,” which is based on expected future collections and involved significant judgement, including forecasts of macroeconomic conditions and collection trends, which are inherently uncertain and may change over time. Additionally, estimates of future credit losses on credit card receivables may have a significant effect on the provision for loan losses.

Significant Accounting Policies

There have been no material changes to the Company’s significant accounting policies from the audited combined and consolidated financial statements for the fiscal year ended December 31, 2025, included in the Company’s 2025 Form 10-K.

Recently Adopted Accounting Standards

In November 2025, the FASB issued ASU 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans. The update amends the accounting for purchased loans by eliminating the recognition of a day-one provision for expected credit losses for certain purchased loans and expanding the application of the gross-up approach previously applicable to purchased credit-deteriorated (“PCD”) assets. Under the amended guidance, expected credit losses for qualifying purchased loans are reflected in the amortized cost basis of the loans at acquisition rather than recognized as a credit loss expense at acquisition. The new standard is effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years. Early adoption is permitted. The standard is to be applied prospectively to purchased loans acquired on or after the date of adoption. The Company has elected to early adopt this change as of January 1, 2026. The adoption did not have an impact on the Company’s combined and condensed consolidated quarterly financial statements for the period ended June 30, 2026, as the Company did not purchase any receivables subject to the guidance during the period.

Recent Accounting Standards or Updates Not Yet Adopted

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative, to amend certain disclosure and presentation requirements for a variety of topics within the Accounting Standards Codification (“ASC”). These amendments align the requirements in the ASC to the removal of certain disclosure requirements set out in Regulation S-X and Regulation S-K, announced by the SEC. The effective date for each amended topic in the ASC is either the date on which the SEC’s removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or on June 30, 2027, if the SEC has not removed the requirements by that date. Early adoption is prohibited. The Company is currently evaluating these provisions and the impact they may have on its combined and condensed consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, which requires disaggregated disclosure of income statement expenses for public business entities. The objective of ASU 2024-03 is to address requests from investors for more detailed information about the types of expenses. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. The effective date for annual reporting periods is after December 15, 2026, and interim periods within those annual periods beginning after December 15, 2027. The Company is currently evaluating

these provisions of this ASU and the impact they may have on its combined and condensed consolidated financial statements and related disclosures.

2. Earnings Per Share

The Company's unvested restricted stock awards have the right to receive nonforfeitable dividends on the same basis as common shares; therefore, unvested restricted stock is considered a participating security in the computation of earnings per share ("EPS"). Accordingly, the Company applies the two-class method in the computation of basic EPS which allocates earnings from holders of common stock to holders of unvested restricted stock awards. Diluted EPS attributable to the Company's common stock is computed using both the two-class method and the treasury stock method, and the more dilutive of the two computations is presented.

The computation of earnings per share for the three and six months ended June 30, 2026 and 2025 are (in thousands, except per share and footnote amounts):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Basic EPS				
Numerator				
Net income	\$ 41,296	\$ 47,651	\$ 78,929	\$ 111,876
Less: Earnings allocated to participating securities	4,113	—	7,955	—
Net income available to common stockholders	<u>37,184</u>	<u>47,651</u>	<u>70,974</u>	<u>111,876</u>
Denominator				
Weighted average shares outstanding	55,515	2,561	55,552	1,288
Basic EPS	<u>\$ 0.67</u>	<u>\$ 18.61</u>	<u>\$ 1.28</u>	<u>\$ 86.88</u>
Diluted EPS				
Numerator				
Net income available to common stockholders	\$ 37,184	\$ 47,651	\$ 70,974	\$ 111,876
Reallocation of earnings from participating securities	—	—	—	—
Net income available to common stockholders for diluted EPS	<u>\$ 37,184</u>	<u>\$ 47,651</u>	<u>\$ 70,974</u>	<u>\$ 111,876</u>
Denominator				
Weighted average shares outstanding	55,515	2,561	55,552	1,288
Weighted average effect of dilutive securities:				
Options ⁽¹⁾	4	282	2	142
Nonvested restricted stock	—	—	—	—
Number of shares used for diluted EPS computation	55,519	2,843	55,554	1,430
Diluted EPS	<u>\$ 0.67</u>	<u>\$ 16.76</u>	<u>\$ 1.28</u>	<u>\$ 78.26</u>

(1) Options outstanding of 846,031 at June 30, 2026 were determined to be antidilutive and excluded from the dilutive EPS computation.

3. Acquisitions

Effective December 4, 2025, the Company's U.S. subsidiary Jefferson Capital Systems, LLC completed a portfolio acquisition of credit card assets from affiliates of Bluestem Brands ("Bluestem"). As part of the transaction, the Company paid a net purchase price of \$196.3 million to acquire a revolving loan portfolio for which the ability to draw on the receivables has been suspended with face value of \$407.7 million. The net purchase price reflected adjustments for interim portfolio cash flows, net of servicing expense and adjusted for new purchases from a cut-off date of June 30, 2025 through the closing date of December 4, 2025 as well as \$0.2 million in direct transaction costs. In addition, \$20.0 million of the net purchase price was placed in escrow to secure post-closing implementation obligations. The entirety of the \$20.0

million that was placed in escrow has been released to the seller. The Company does not intend to pursue ongoing originations through the Bluestem platform, and the acquisition does not include any Bluestem retail operations or assets.

The Bluestem Portfolio Purchase was accounted for as an asset acquisition in accordance with ASC 805-50, *Business Combinations—Related Issues*. Under the asset acquisition method of accounting, the cost of the acquired asset group was allocated to the individual assets acquired and liabilities assumed based on their relative fair values as of the acquisition date. The acquired receivables were determined to be purchased financial assets with credit deterioration (“PCD”) in accordance with ASC 326, *Financial Instruments—Credit Losses*. At the acquisition date, the Company recorded an allowance for expected credit losses with a corresponding increase to the amortized cost basis of the acquired receivables (the “gross-up” approach). Accordingly, the initial allowance for credit losses was not recognized through earnings on the acquisition date.

In the three and six months ended June 30, 2026, the Company recognized portfolio revenue of \$11.0 million and \$26.3 million, respectively, and net operating income of \$7.1 million and \$15.0 million, respectively, related to the Bluestem portfolio purchase, with no portfolio revenue or net operating income recognized in the comparable three and six months ended June 30, 2025.

4. Fair Value Measurements

The Company measures the fair values of its assets and liabilities, where applicable, based on the price that would be received upon sale of an asset or the price paid to transfer a liability, in an orderly transaction between market participants at the measurement date, i.e., the “exit price.” Under applicable accounting standards, fair value measurements are categorized into one of three levels based on the inputs to the valuation technique with the highest priority given to unadjusted quoted prices in active markets and the lowest priority given to unobservable inputs. The Company categorizes its fair value measurements of financial instruments based on this three-level hierarchy. The following is a brief description of each level:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the overall fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments for which the determination of fair value requires significant management judgment or estimation. The fair value for such assets and liabilities is generally determined using pricing models, discounted cash flow methodologies or similar techniques that incorporate the assumptions a market participant would use in pricing the asset or liability.

The Company does not have any financial instruments that are subject to fair value measurements on a recurring basis.

Financial Instruments Not Required to Be Carried at Fair Value

The table below summarizes fair value estimates for the Company's financial instruments that are not required to be carried at fair value.

The carrying amounts in the following table are recorded in the combined and condensed consolidated balance sheet as of June 30, 2026 and December 31, 2025 (in thousands):

	June 30, 2026		December 31, 2025	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial Assets				
Cash and cash equivalents	\$ 20,406	\$ 20,406	\$ 23,231	\$ 23,231
Accounts receivable	16,901	16,901	12,245	12,245
Investments in receivables, net	1,946,819	2,216,877	1,928,742	2,156,926
Credit card receivable, net	15,042	15,042	16,312	16,312
Financial Liabilities				
Revolving credit facility	215,600	215,600	231,584	231,584
Senior unsecured bond due 2026	299,886	300,000	299,200	300,330
Senior unsecured bond due 2029	396,460	420,000	395,775	421,200
Senior unsecured bond due 2030	493,848	525,000	493,046	525,560

Investment in receivables, net

The fair value of investments in receivables, net is measured using Level 3 inputs by discounting the estimated future cash flows generated by the Company's proprietary forecasting models. The key inputs include the estimated future gross cash flow, average cost to collect, and a discount rate. The determination of such inputs requires significant judgment. The Company evaluates the use of key inputs on an ongoing basis and refines the data as it continues to obtain market data. See Note 5 to the combined and condensed consolidated financial statements for additional information.

Cash and cash equivalents, Accounts receivable, and Credit card receivables, net

The fair value approximates the carrying value, due to their short-term nature.

Revolving credit facility

The fair value of the Revolving Credit Facility, as supplemented or modified from time to time, (the "Revolving Credit Facility") is measured using Level 3 inputs. The fair value approximates the principal value due to the short-term adjustable-rate nature of the notes payable.

Senior unsecured bonds due 2026, 2029 and 2030

The fair value estimates for the Senior Unsecured Bonds are based on quoted prices for identical assets or liabilities in markets that are not active. Accordingly, the Company uses Level 2 inputs for its fair value estimates.

5. Investment in receivables, net

The following table presents the roll forward of the balance of the investment in receivables, net for the following periods (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Balance, beginning of period	\$ 1,929,069	\$ 1,561,595	\$ 1,928,742	\$ 1,497,748
Purchases	152,242	125,278	301,947	300,501
Cash collections	(300,856)	(255,739)	(610,754)	(516,629)
Total portfolio income	156,253	138,877	313,859	277,571
Changes in expected current period recoveries	3,544	4,178	14,275	10,575
Changes in expected future period recoveries	5,467	(2,622)	1,792	(5,399)
Foreign currency adjustments	1,100	18,234	(3,042)	25,434
Balance, end of period	\$ 1,946,819	\$ 1,589,801	\$ 1,946,819	\$ 1,589,801

The table below provides the detail on the establishment of negative allowance for expected recoveries of portfolios purchased during the periods presented (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Purchase price	\$ 152,242	\$ 125,278	\$ 301,947	\$ 300,501
Allowance for credit losses	2,589,339	1,518,687	5,006,767	3,952,988
Amortized cost	2,741,581	1,643,965	5,308,714	4,253,489
Noncredit discount	131,582	115,643	272,620	263,495
Face value	2,873,163	1,759,609	5,581,334	4,516,984
Write-off of amortized cost	(2,741,581)	(1,643,965)	(5,308,714)	(4,253,489)
Write-off of noncredit discount	(131,582)	(115,643)	(272,620)	(263,495)
Negative allowance	152,242	125,278	301,947	300,501
Negative allowance for expected recoveries	<u>\$ 152,242</u>	<u>\$ 125,278</u>	<u>\$ 301,947</u>	<u>\$ 300,501</u>

For the six months ended June 30, 2026 the Company purchased receivable portfolios with face values of \$5,581.3 million for a purchase price of \$301.9 million or 5.4% of face value. For the six months ended June 30, 2025, the Company purchased receivable portfolios with face values of \$4,517.0 million for a purchase price of \$300.5 million or 6.7% of face value. The price paid relative to the face amount of receivables will vary based upon the type of debt purchased, the age of the debt at the time of acquisition and the overall debt acquisition market. The percentage reported represents the weighted average of activity for the period and is a function of the mix of assets acquired in any period. For the receivables purchased in the six months ended June 30, 2026 and 2025, the estimated amount of cash flows to be collected were \$574.6 million and \$564.0 million (as of purchase), respectively.

Recoveries above or below forecast represent over and under-performance in the reporting period, respectively. Actual collections during the six months ended June 30, 2026, and 2025, overperformed the projected collections by approximately \$14.3 million and \$10.6 million, respectively, primarily driven by continued strong collection performance.

When reassessing the forecasts of expected lifetime recoveries during the six months ended June 30, 2026, management considered historical and current collection performance and believes that for certain static pools sustained collections overperformance resulted in increased total future expected recoveries. As a result, the Company has updated its forecast, resulting in a net increase of total estimated remaining collections, which in turn, when discounted to present value, resulted in a change in expected future period recoveries of approximately \$1.8 million and \$5.4 million during the six months ended June 30, 2026, and 2025, respectively.

At the time of the Bluestem's portfolio purchase, which consisted primarily of performing receivables, the Company established an allowance for credit losses of \$304.8 million. Additionally, the Company also established a non-credit premium of \$93.4 million at the time of purchase.

The Company places performing receivables on nonaccrual status when the receivables are greater than 90 days. To facilitate the monitoring of credit quality for performing receivables, and for the purpose of determining an appropriate allowance for losses for these receivables, the Company utilizes payment history and current payment status. The table below presents the information on the past due and non-accrual buckets for the assets acquired in the performing portfolio purchases, and does not include all other purchased loans as they were charged-off at the time of purchase, (in thousands):

Delinquency vintage	As of June 30, 2026	As of December 31, 2025
United States		
Current	\$ 195,168	\$ 326,381
30-59	19,523	49,467
60-89	13,985	39,402
>90	72,397	109,562
Total	<u>\$ 301,073</u>	<u>\$ 524,812</u>

The following table presents non-accrual performing loans by segment (in thousands).

	As of June 30, 2026	As of December 31, 2025
	Nonaccrual with No Allowance	Nonaccrual with No Allowance
United States	72,397	109,562
Total	<u>\$ 72,397</u>	<u>\$ 109,562</u>

6. Credit Card Receivables

The following table summarizes the credit card receivables, gross of allowance for credit losses, by segment (in thousands):

	As of June 30, 2026	As of December 31, 2025
United States	8,714	8,615
Canada	7,926	9,480
Total	<u>\$ 16,640</u>	<u>\$ 18,095</u>

The Company places credit card receivables on nonaccrual status when the credit card receivables are greater than 90 days past due or within 60 days of being notified that the customer is in bankruptcy status, whichever is earlier. The below tables present the information on the Company's past due and non-accrual credit card receivables as of June 30, 2026, and December 31, 2025.

Age analysis of past-due credit card receivables at June 30, 2026 (in thousands)

(\$ in 000s)	30-59	60-89	>90	Total Past Due	Current	Total	Amortized Cost > 90 DPD and Accruing
United States	\$ 299	\$ 257	\$ 552	\$ 1,108	\$ 7,606	\$ 8,714	\$ —
Canada	159	116	212	487	7,439	7,926	—
Total	<u>\$ 458</u>	<u>\$ 373</u>	<u>\$ 764</u>	<u>\$ 1,595</u>	<u>\$ 15,045</u>	<u>\$ 16,640</u>	<u>\$ —</u>

Age analysis of past-due credit card receivables at December 31, 2025 (in thousands)

(\$ in 000s)	30-59	60-89	>90	Total Past Due	Current	Total	Amortized Cost > 90 DPD and Accruing
United States	\$ 323	\$ 210	\$ 588	\$ 1,121	\$ 7,494	\$ 8,615	\$ —
Canada	232	130	333	695	8,786	9,480	—
Total	<u>\$ 554</u>	<u>\$ 340</u>	<u>\$ 921</u>	<u>\$ 1,815</u>	<u>\$ 16,280</u>	<u>\$ 18,095</u>	<u>\$ —</u>

Allowance for Credit Losses

The following table summarizes the change in the allowance for credit losses for the Company's credit card receivables portfolio (in thousands).

	United States	Canada	Total
Balance as of December 31, 2025	\$ 1,008	\$ 775	\$ 1,784
Charge-offs	(1,282)	(673)	(1,955)
Recoveries	180	209	389
Provision	1,043	337	1,380
Balance as of June 30, 2026	<u>\$ 949</u>	<u>\$ 648</u>	<u>\$ 1,598</u>
Balance as of December 31, 2024	\$ 957	\$ 950	\$ 1,907
Charge-offs	(179)	(202)	(381)
Recoveries	180	246	426
Provision	(84)	(135)	(219)
Balance as of June 30, 2025	<u>\$ 874</u>	<u>\$ 859</u>	<u>\$ 1,733</u>

Non-Accrual Loans

The following table presents non-accrual loans by segment (in thousands).

	As of June 30, 2026		As of December 31, 2025	
	Nonaccrual	Nonaccrual with No Allowance	Nonaccrual	Nonaccrual with No Allowance
United States	\$ 552	\$ —	\$ 588	\$ —
Canada	212	—	333	—
Total	<u>\$ 764</u>	<u>\$ —</u>	<u>\$ 921</u>	<u>\$ —</u>

No interest income was recorded for the non-accrual receivables for the six months ended June 30, 2026.

7. Goodwill

The Company tests goodwill for impairment at least annually as of October 1, or more frequently, if certain events or circumstances warrant. During the six months ended June 30, 2026, and fiscal year 2025, no impairment of goodwill was recorded.

The following table summarizes the changes in goodwill (in thousands) in the Company's reportable segments:

	United States	United Kingdom	Canada	Latin America	Total
Goodwill					
December 31, 2024	\$ 31,633	\$ 19,209	\$ 6,841	\$ —	\$ 57,683
Acquisitions	—	—	—	—	—
Impact of FX translation	—	—	360	—	360
June 30, 2025	\$ 31,633	\$ 19,209	\$ 7,201	\$ —	\$ 58,043
December 31, 2025	\$ 31,633	\$ 19,209	\$ 7,172	\$ —	\$ 58,014
Acquisitions	—	—	—	—	—
Impact of FX translation	—	—	(253)	—	(253)
June 30, 2026	\$ 31,633	\$ 19,209	\$ 6,919	\$ —	\$ 57,761

8. Notes Payable, Net

(in thousands)	As of June 30, 2026		As of December 31, 2025	
	Amount Outstanding	Interest Rate	Amount Outstanding	Interest Rate
Senior unsecured bond due 2026	\$ 300,000	6.00 %	\$ 300,000	6.00 %
Senior unsecured bond due 2029	400,000	9.50 %	400,000	9.50 %
Senior unsecured bond due 2030	500,000	8.25 %	500,000	8.25 %
Revolving credit facility	225,938	6.13 %	231,584	6.79 %
Total	\$ 1,425,938	7.79 %	\$ 1,431,584	7.89 %
Unamortized debt issuance costs	(20,144)		(22,544)	
Notes Payable, net	\$ 1,405,794		\$ 1,409,039	

On August 4, 2021, the Company completed an offering of \$300.0 million aggregate principal amount of 6.000% senior notes due 2026 (the "2026 Notes") under an indenture (the "2026 Notes Indenture"), dated as of August 4, 2021, among the Company, the guarantors party thereto and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee. The 2026 Notes are general senior unsecured obligations of the Company and are guaranteed by certain of the Company's wholly-owned domestic restricted subsidiaries. Interest on the 2026 Notes is payable semi-annually on February 15 and August 15 of each year, commencing on February 15, 2022. The 2026 Notes mature on August 15, 2026. On and after August 15, 2023, the 2026 Notes may be redeemed, at the Company's option, in whole or in part, at any time and from time to time, at the redemption prices set forth below. The 2026 Notes will be redeemable at the redemption prices (expressed as percentages of principal amount of the 2026 Notes to be redeemed) set forth below plus accrued and unpaid interest thereon, if any, excluding the applicable redemption date, subject to the right of holders of the 2026 Notes on the relevant record date to receive interest due on the relevant interest payment date, if redeemed during the 12-month period beginning on August 15 of each of the years indicated below:

Dates	Percentage of Principal
2026	100.000 %

The 2026 Notes Indenture contains covenants that limit the Company's ability and the ability of the Company's restricted subsidiaries to, among other things: (i) incur or guarantee additional debt; (ii) incur certain liens; (iii) make certain investments; (iv) create restrictions on the payment of dividends or other amounts from the Company's restricted subsidiaries that are not guarantors under the 2026 Notes Indenture; (v) enter into certain transactions with affiliates

(vi) sell certain assets, including capital stock of the Company's subsidiaries; (vii) designate the Company's subsidiaries as unrestricted subsidiaries; and (viii) pay dividends, redeem or repurchase capital stock or make other restricted payments.

The 2026 Notes incurred issuance costs of \$6.9 million, including legal expenses and origination fees, which reduces the expense over the 5-year term of the 2026 Notes. At June 30, 2026, the unamortized balance of the deferred debt issuance costs was \$0.1 million.

On February 28, 2022, the Company amended its credit agreement entered into on May 21, 2021 (as amended, the "Credit Agreement") to include a new \$150.0 million Canadian sub-facility to go alongside the \$35.0 million UK sub-facility.

On April 26, 2023, the Company amended and extended its Credit Agreement to an aggregate commitment of \$600 million with a 5-year maturity of April 26, 2028.

On September 29, 2023, the Company amended its Credit Agreement to an aggregate commitment of \$750 million and modified its sub-facility limits to \$85 million for the Canadian sub-facility and \$50 million for the U.K. sub-facility.

The Credit Agreement contains five financial covenants:

- The Maximum Senior Leverage Ratio to not exceed 2.50 to 1.00
- The Maximum Leverage Ratio to not exceed 3.25 to 1.00
- The Minimum Fixed Charge Coverage Ratio of not less than 1.25 to 1.00
- Minimum Tangible Net Worth not to be less than a starting value plus 50% of each subsequent quarter's Net Income
- Minimum Actual Collections where the Company must collect at least 85% of the projected collections over the trailing twelve-month period.

On November 13, 2024, the Company amended its Credit Agreement to an aggregate commitment of \$825 million through the exercise of its accordion feature and modified its sub-facility limits to \$110 million for the Canadian sub-facility and \$665 million for the U.S. sub-facility.

On October 27, 2025 the Company further amended and extended its Credit Agreement to an aggregate commitment of \$1.0 billion via a syndication led by Citizens Bank. This effected certain amendments to the terms of the credit facility under the Credit Agreement, including, among other things:

- An increase of the aggregate commitments as defined in the Credit Agreement capital by \$175,000,000 to \$1,000,000,000
- A reduction of the interest rate margins applicable to loans outstanding under the Revolving Credit Facility (defined below) by fifty (50) basis points
- A reduction of the non-use fee rate for unutilized commitments under the Revolving Credit Facility by five (5) basis points and a reduction of the maximum applicable non-use fee rate for unutilized commitments to thirty-five (35) basis points
- Elimination of any credit spread adjustments from the calculation of the interest rate applicable to loans outstanding under the Revolving Credit Facility
- Extension of the maturity of the Revolving Credit Facility to October 27, 2030, subject to such maturity being reduced to 91 days in advance of the earliest final scheduled maturity date of either the 9.500% Senior Notes due February 15, 2029 or the 8.250% Senior Notes due May 15, 2030, in each case issued by Jefferson Capital Holdings, LLC
- Removal of the existing financial covenant requiring a minimum tangible net worth of certain subsidiaries
- Customary changes (including changes to financial reporting requirements and 'change of control' thresholds) to reflect the status of Jefferson Capital as a public company.

On April 22, 2026, the Company further amended and extended its Credit Agreement to an aggregate commitment of \$1.15 billion. The amendment increased the maximum cap on the aggregate amount to which the revolving credit commitments may be increased in the future pursuant to the incremental provisions of the Credit Agreement to \$1.425

billion, allowing for future increases of up to an aggregate of \$275.0 million. Except as described above, the amendment did not include any other material changes.

On February 2, 2024, the Company completed an offering of \$400.0 million aggregate principal amount of 9.500% senior notes due 2029 (the “2029 Notes”) under an indenture (the “2029 Notes Indenture”), dated as of February 2, 2024, among the Company, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. The 2029 Notes are general senior unsecured obligations of the Company and are guaranteed by certain of the Company’s wholly-owned domestic restricted subsidiaries. Interest on the 2029 Notes is payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2024. The 2029 Notes mature on February 15, 2029. At any time and from time to time prior to February 15, 2026, the 2029 Notes may be redeemed at the Company’s option, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2029 Notes redeemed, plus accrued and unpaid interest thereon, if any, to but excluding the applicable date of redemption, subject to the rights of holders of 2029 Notes on the relevant record date to receive interest due on the relevant interest payment date, plus the applicable premium as of the applicable redemption date. On and after February 15, 2026, the 2029 Notes may be redeemed, at the Company’s option, in whole or in part, at any time and from time to time, at the redemption prices set forth below. The 2029 Notes will be redeemable at the redemption prices (expressed as percentages of principal amount of the 2029 Notes to be redeemed) set forth below plus accrued and unpaid interest thereon, if any, excluding the applicable redemption date, subject to the right of holders of the 2029 Notes on the relevant record date to receive interest due on the relevant interest payment date, if redeemed during the 12-month period beginning on February 15 of each of the years indicated below:

Dates	Percentage of Principal
2026	104.750 %
2027	102.375 %
2028 and thereafter	100.000 %

The 2029 Notes Indenture contains covenants that limit the Company’s ability and the ability of the Company’s restricted subsidiaries to, among other things: (i) incur or guarantee additional debt; (ii) incur certain liens; (iii) make certain investments; (iv) create restrictions on the payment of dividends or other amounts from the Company’s restricted subsidiaries that are not guarantors under the 2029 Notes Indenture; (v) enter into certain transactions with affiliates; (vi) merge or consolidate with another person, or sell or otherwise dispose of all or substantially all of the Company’s assets; (vii) sell certain assets, including capital stock of the Company’s subsidiaries; (viii) designate the Company’s subsidiaries as unrestricted subsidiaries; and (ix) pay dividends, redeem or repurchase capital stock or make other restricted payments.

The 2029 Notes incurred issuance costs of \$6.8 million, including legal expenses and origination fees, which reduce the carrying amount of the 2029 Notes. These costs were capitalized at the time of issuance and are being amortized to interest expense over the 5-year term of the 2029 Notes. At June 30, 2026, the unamortized balance of the deferred debt issuance costs was \$3.5 million.

On May 2, 2025, Jefferson Capital Holdings, LLC completed an offering of \$500.0 million aggregate principal amount of 8.250% senior notes due 2030 (the “2030 Notes”) under an indenture (the “2030 Notes Indenture”), dated as of May 2, 2025, among Jefferson Capital Holdings, LLC, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. The 2030 Notes are general senior unsecured obligations of Jefferson Capital Holdings, LLC and are guaranteed by certain of Jefferson Capital Holdings, LLC’s wholly-owned domestic restricted subsidiaries. Interest on the 2030 Notes is payable semi-annually on May 15 and November 15 of each year, commencing on November 15, 2025. The 2030 Notes mature on May 15, 2030.

At any time and from time to time prior to May 15, 2027, the 2030 Notes may be redeemed at Jefferson Capital Holdings, LLC’s option, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2030 Notes redeemed, plus accrued and unpaid interest thereon, if any, to but excluding the applicable date of redemption, subject to the rights of holders of 2030 Notes on the relevant record date to receive interest due on the relevant interest payment date, plus the applicable premium as of the applicable redemption date. On and after May 15, 2027, the 2030 Notes may be redeemed, at Jefferson Capital Holdings, LLC’s option, in whole or in part, at any time and from time to time, at the redemption

prices set forth below. The 2030 Notes will be redeemable at the redemption prices (expressed as percentages of principal amount of the 2030 Notes to be redeemed) set forth below plus accrued and unpaid interest thereon, if any, excluding the applicable redemption date, subject to the right of holders of the 2030 Notes on the relevant record date to receive interest due on the relevant interest payment date, if redeemed during the 12-month period beginning on May 15 of each of the years indicated below:

Dates	Percentage of Principal
2027	104.125 %
2028	102.063 %
2029 and thereafter	100.000 %

The 2030 Notes Indenture contains covenants that limit Jefferson Capital Holdings, LLC's ability and the ability of Jefferson Capital Holdings, LLC's restricted subsidiaries to, among other things: (i) incur or guarantee additional debt; (ii) incur certain liens; (iii) make certain investments; (iv) create restrictions on the payment of dividends or other amounts from Jefferson Capital Holdings, LLC's restricted subsidiaries that are not guarantors under the 2030 Notes Indenture; (v) enter into certain transactions with affiliates; (vi) merge or consolidate with another person, or sell or otherwise dispose of all or substantially all of Jefferson Capital Holdings, LLC's assets; (vii) sell certain assets, including capital stock of Jefferson Capital Holdings, LLC's subsidiaries; (viii) designate Jefferson Capital Holdings, LLC's subsidiaries as unrestricted subsidiaries; and (ix) pay dividends, redeem or repurchase capital stock or make other restricted payments.

The 2030 Notes incurred issuance costs of \$8.0 million, including legal expenses and origination fees, which reduce the carrying amount of the 2030 Notes. These costs were capitalized at the time of issuance and are being amortized over the 5-year term of the 2030 Notes. At June 30, 2026, the unamortized balance of the capitalized deferred debt costs was \$6.2 million.

Components of interest expense for the three and six months ended June 30, 2026, and 2025 (in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Interest expense	\$ 28,676	\$ 24,450	\$ 57,611	\$ 48,223
Amortization of debt issuance costs	1,694	1,374	3,337	2,494
Total Interest Expense	\$ 30,370	\$ 25,824	\$ 60,948	\$ 50,717

As of June 30, 2026, the outstanding balances of notes payable were \$1,405.8 million with a weighted average interest rate of 7.79%. In comparison, as of June 30, 2025, the outstanding balances of notes payable were \$1,181.5 million with a weighted average interest rate of 8.10%.

The Company incurred costs related to the issuance and origination of its notes payable which are deferred and recorded net of the debt balance and amortized to interest expense over the life of the debt. The unamortized debt issuance costs related to the notes payable were \$20.1 million and \$18.5 million as of June 30, 2026, and 2025, respectively.

As of June 30, 2026, the Company was in compliance with all the financial covenants of its notes payable.

9. Stock Based Compensation

Prior to the initial public offering in June 2025, the Company maintained the JCAP TopCo, LLC 2018 Underlying Units Plan (the "Plan") and the Management Invest LLC 2018 Management Incentive Plan (the "Management Invest Plan"), effective August 31, 2018, to promote the long-term growth and profitability of the Company by providing certain of the Company's employees and other service providers who were involved in the Company's growth with an opportunity to acquire equity interests that enable them to share in the appreciation of value of the Company, thereby encouraging such persons to contribute to and participate in the success of the Company.

Under the Plan, awards of Class B Units representing limited liability company interests in JCAP TopCo, LLC, a holding company and direct parent of the Company, were issued to Management Invest LLC, which in turn issued corresponding awards of Class B Units in Management Invest LLC to certain of the Company's employees and other service providers under the Management Invest Plan. As of June 26, 2025, there were 26,932,232 Class B units available for issuance, of which 26,932,232 were issued and outstanding. The Class B units qualified as liability awards since they would have been settled in cash upon redemption and were included in accounts payable and accrued expenses on the combined and condensed consolidated balance sheet. The unit value was calculated based on the estimated fair value of the Company over the original investment amount. Generally, approximately thirty percent (30%) of the units vested in five equal installments on each of the first five anniversaries of their respective grant dates, and the remaining seventy percent (70%) vested upon a change of control if applicable distribution thresholds were achieved. The Company valued its units awarded under the Plan based on the market approach. The Company utilized public company comparable information to establish the measure of invested capital ("MOIC"), which was then applied against the strike prices of the respective vested portion of the units awarded under the Plan to calculate the compensation exposure.

As part of the initial public offering, all of the Class B Units issued pursuant to the Management Invest Plan were crystallized and converted into shares of common stock on the basis of the Exchange Ratio used to convert the Class A Units and Class C Units. The conversion took into account the number of Class B Units held, the applicable distribution threshold and the value of the distributions that the holder would have been entitled to receive through their indirect ownership interest in JCAP TopCo, LLC had JCAP TopCo, LLC been liquidated on the date of such conversion in accordance with the terms of the distribution waterfall set forth in the JCAP TopCo LLC Agreement. If in-the-money, the Class B Units were converted into a number of shares based on the respective distribution thresholds and terms of such awards, and if out-of-the-money, were canceled. For Class B Units that were in-the-money but unvested and subject solely to time vesting requirements, such Class B Units were converted into shares of restricted stock and subject to the same time vesting requirements that the corresponding Class B Units were subject to prior to the Reorganization. For Class B Units that were in-the-money but unvested and subject to performance vesting requirements, those were converted into shares of restricted stock and subject to a three-year time-vesting requirement in equal increments from the date of the initial public offering, subject to continued service through the applicable vesting dates (provided, that any such unvested shares of restricted stock will be subject to acceleration in the event of a holder's termination of service without cause or due to such holder's death or disability). The conversion of such in-the-money unvested Class B Units was evidenced by individual restricted stock agreements and were not issued under the Company's 2025 Incentive Award Plan (the "2025 Plan"). Specifically, 6,418,775 shares were issued in respect of Class B Units of Management Invest, LLC (which correspond to Class B Units of JCAP TopCo, LLC) that were in-the-money. These shares were issued as restricted stock either with the same time-based vesting requirements that the corresponding Class B Units were subject to prior to the Reorganization or, if such corresponding Class B Units had performance vesting requirements, with a three year time-vesting requirement. If the vesting conditions of the restricted stock are not satisfied, such restricted stock will be forfeited and canceled. The Company accounts for forfeitures when they occur. The modification of the award Class B Units did not result in a material impact to compensation costs. Holders of converted restricted stock awards will be eligible to receive non-forfeitable dividends in the event the Company determines to pay dividends in respect of its common stock. For Class B Units that were in-the-money and fully vested, those were converted into shares of common stock. With respect to Class B Units that were out-of-the-money and were canceled in the Reorganization, the Company issued new stock options under the 2025 Plan to the employee and director holders of such canceled Class B Units to put them in an approximately equivalent economic position in terms of number of options and exercise prices as they would be in if their Class B Units were not canceled and instead exchanged for new options. Such options were granted effective as of immediately following the determination of the initial public offering price per share of our common stock and were in an amount equal to the number of the out-of-the-money Class B Units that were canceled, multiplied by the Exchange Ratio, and have an exercise price per share equal to the distribution threshold of the out-of-the-money Class B Units, multiplied by the Exchange Ratio (or if greater, the initial public offering price per share of our common stock). The options are subject to the same time-vesting requirements that the corresponding Class B Units were subject to prior to the Reorganization.

The Company measures the fair value of stock option awards on the grant date using a Black-Scholes option-valuation model. The model incorporates various assumptions, including the exercise price, expected term, risk-free interest rate, expected stock price volatility, and expected dividend yield.

Awards are assumed to be exercised at the midpoint of the earliest and latest exercisable dates and adjusted for moneyiness. The earliest expected term for awards with multiple vesting tranches is determined as the weighted average of each vesting tranche, with weights determined by the percentage vesting in a tranche. As the options were granted out-of-the-money, the midlife term is extended ratably, assuming a term based on the midlife for an option at-the-money (100% moneyiness) and the full contractual life for an out-of-the-money option at 0% moneyiness. The midpoint approach and moneyiness adjustments are supported by industry studies, which suggest the contractual term typically overstates the value of the option and the mid-point provides a more reasonable estimate, given the Company's limited exercise history and the specific terms of the award.

The risk-free rate is assumed to be the term-matched zero-coupon risk-free interest rate derived from the Treasury Constant Maturities yield curve on the grant date (or most recently available). The interest rate is converted from a semi-annually compounded rate to a continuously compounded rate for purposes of Black-Scholes calculations. For terms where a risk-free rate is not available, the nearest terms greater than and less than the expected term are interpolated to estimate the risk-free rate.

Expected volatility is estimated using the historical volatility of a peer group of comparable publicly traded companies, given the limited trading history of the Company's common stock. The expected dividend yield reflects an assumed dividend rate of 6.40% per year. This is calculated assuming a quarterly dividend of \$0.24 (provided by the Company) and the current market share price at the date of grant.

A summary of the Company's equity-based awards and activity for the three and six months ended June 30, 2026 and 2025 is presented below:

	Outstanding Restricted Shares	Weighted-Average Grant Date Fair Value
Balance at March 31, 2025	—	\$
Granted	6,418,775	15.00
Vested	—	
Exercised	—	
Forfeited, expired or canceled	—	
Balance at June 30, 2025	6,418,775	\$ 15.00
Balance December 31, 2024	—	
Granted	6,418,775	15.00
Vested	—	
Exercised	—	
Forfeited, expired or canceled	—	
Balance at June 30, 2025	6,418,775	\$ 15.00
Balance March 31, 2026	6,242,825	\$ 15.00
Granted	—	
Vested	(2,063,595)	
Forfeited, expired or canceled	(19,158)	
Balance June 30, 2026	4,160,072	\$ 15.00
Balance December 31, 2025	6,330,304	\$ 15.00
Granted	—	
Vested	(2,136,663)	
Forfeited, expired or canceled	(33,569)	
Balance June 30, 2026	4,160,072	\$ 15.00

	Stock Options Outstanding	Weighted-Average Grant Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Balance at March 31, 2025	—	\$ —		\$ —
Granted	457,542	24.81	10.0	
Vested				
Exercised				
Forfeited, expired or canceled				
Balance at June 30, 2025	457,542	\$ 24.81	10.0	\$ 97.7
Balance December 31, 2024	—	\$ —		\$ —
Granted	457,542	24.81	10.0	
Vested				
Exercised				
Forfeited, expired or canceled				
Balance at June 30, 2025	457,542	\$ 24.81	10.0	\$ 97.7
Balance March 31, 2026	947,542	\$ 26.28	9.4	\$ 181.1
Granted				
Vested				
Exercised				
Forfeited, expired or canceled	(10,000)	27.78	10.0	
Balance June 30, 2026	937,542	\$ 26.21	9.2	\$ 205.8
Balance December 31, 2025	477,542	\$ 24.84	9.2	\$ 580.2
Granted	470,000	27.75	10.0	
Vested				
Exercised				
Forfeited, expired or canceled	(10,000)	27.78	10.0	
Balance June 30, 2026	937,542	\$ 26.21	9.2	\$ 205.8

For the three months ended June 30, 2026 and 2025, stock-based compensation expense recognized was \$8.3 million and \$(7.9) million, respectively. The change in stock-based compensation expense for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 is driven by the recognition of stock-based compensation expense associated with the unvested restricted stock, stock options and Class B Units that existed prior to the IPO and the reversal of stock-based compensation accrual of \$8.3 million for outstanding Class B units.

As of June 30, 2026, the total unrecognized stock-based compensation expense related to unvested restricted shares was \$61.4 million, which is expected to be recognized over a remaining weighted average term of 2.0 years. As of June 30, 2026, the total unrecognized compensation expense related to unvested stock options was \$3.4 million, which is expected to be recognized over a remaining weighted average term of 4.0 years.

10. Commitments and Contingencies

Purchase Commitments

In the normal course of business, the Company enters into forward flow purchase agreements. A forward flow purchase agreement is a commitment to purchase receivables over a duration that is typically three to twelve months, but can be longer, generally with a specifically defined volume range, frequency, and pricing. Typically, these forward flow contracts have provisions that allow for early termination or price re-negotiation should the underlying quality of the portfolio deteriorate over time or if any particular month's delivery is materially different than the original portfolio used to price the forward flow contract. Certain of these forward flow purchase agreements may also have termination clauses, whereby the agreements can be canceled by either party upon providing a certain specified amount of notice.

As of June 30, 2026, and 2025 the Company had entered into forward flow purchase agreements for the purchase of receivables with an estimated minimum aggregate purchase price of approximately \$480.7 million and \$257.3 million,

respectively. The Company expects actual purchases under these forward flow purchase agreements to be significantly greater than the estimated minimum aggregate purchase price.

Employee Savings and Retirement Plan

The Company sponsors defined contribution plans in the U.S., Canada, and the U.K. The U.S. plan is organized as a 401(k) plan under which all employees are eligible to make voluntary contributions to the plan up to 100% of their compensation, subject to IRS limitations, as defined in the plan. The Company makes matching contributions of 25% of up to 6% of an employee's salary. In Canada, the Company has a Deferred Profit-Sharing Plan (DPSP) in which the Company contributes 3% of salary to their DPSP fund. Employees contributing to the Registered Retirement Savings Plan (RRSP) or Tax-Free Savings Account (TFSA) receive up to a 2% match, bringing the potential total match to 5% of salary. In the U.K., the Company operates the government contribution plan where employees contribute 5% of their salary and the Company contributes 3% of the employee salary on a monthly basis. Employees can make additional contributions to the plan via their salary, either by one off extra contribution or increasing the monthly percentage but must contribute a minimum of 5%. Total compensation expense related to the Company's contributions was \$0.7 million and \$0.5 million for the six month period ended June 30, 2026 and 2025, respectively.

Commitments to extend credit

The Company, in the normal course of business through its credit card programs, agrees to purchase the credit card receivables from the issuing bank, thereby incurring off-balance-sheet risk. This risk includes the cardholder's rights to borrow up to the maximum credit limit on their credit card accounts, which is \$13.4 million as of June 30, 2026 and \$15.5 million as of June 30, 2025, beyond their current balances. The Company has not experienced a situation in which all of the Company's cardholders have exercised their entire available line of credit at any given point in time, nor does management anticipate this will ever occur in the future. Also, the Company can, subject to certain regulatory requirements, reduce or cancel these available credit limits.

Contingent payments

As part of the Company's acquisition of Canaccede Financial Group, Ltd. ("Canaccede") in March 2020, an exit incentive was awarded to the former shareholders of Canaccede for up to \$15.625 million Canadian dollars that would be payable only on a Liquidity Event for J.C. Flowers ("JCF"), defined to mean a final exit, that yielded net returns to JCF in excess of certain hurdles as defined in the purchase agreement. The payment, which is contingent on a Liquidity Event and achieving certain hurdles, would be based on cash-on-cash returns to JCF, measured at that final exit, as an equity-linked incentive with capped upside and designed to be paid with sale proceeds received from a new owner. Each year the Company reassesses the fair value of the exit incentive payment to determine whether such amount should be recorded within the combined and condensed consolidated financial statements. As of June 30, 2026, the Company determined that the occurrence in the future of a Liquidity Event above the requisite MOIC thresholds will be probable by December 31, 2027. As a result, the Company accrued a liability related to the Canaccede Exit Incentive Payment of \$9.3 million as of June 30, 2026, reflecting the net present value of an anticipated payment of the maximum amount. This has been recorded as expense on the income statement in other selling, general and administrative with the offset being a liability on the balance sheet in accounts payable and accrued expenses for both periods ended June 30, 2026 and 2025.

Litigation

The Company and its subsidiaries are subject to various legal proceedings and claims that arise in the ordinary course of business. For periods six months and twelve months ended June 30, 2026 and December 31, 2025, respectively, there are no material pending legal proceedings to which the Company or its subsidiaries are a party.

11. Income Taxes

The Company's effective tax rate for the three and six months ended June 30, 2026 and 2025 was as follows (in thousands):

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Income before income taxes	\$ 53,333	\$ 61,906	\$ 104,389	\$ 128,811
Income tax expense	12,037	14,255	25,460	16,935
Effective tax rate	22.6 %	23.0 %	24.4 %	13.1 %

The change in the effective tax rate for the six months ended June 30, 2026 and 2025 was impacted by the period in which the Company was treated as a Partnership for US income tax purposes before the Initial Public Offering in June 2025.

12. Segment Reporting

The Company's operating segments are based on the Company's geographies, which is how management monitors and assesses performance. The Company's geographies are the United States, the United Kingdom, Canada, and Latin America. The Company's Chief Operating Decision Maker ("CODM") is the Chief Executive Officer. Assets are not reported by operating segment to the CODM.

For the Company's operating segments, the CODM uses segment net operating income to allocate resources (including employees, property, and financial or capital resources). Additionally, the Company prepares an annual budget at the segment level. The CODM considers budget-to-actual variances on a monthly basis for the profit or loss measure when making decisions about allocating capital and personnel to the segments. The CODM also uses segment operating income to assess the performance for each segment by comparing the results of each segment with one another and for determining the compensation of certain employees.

The following table provides segment measure of profit and loss, presenting Net operating income, by each operating segment (in thousands) and is the measure that the CODM utilizes to determine resource and investment allocations:

	For the Three Months Ended June 30, 2026					For the Six Months Ended June 30, 2026				
	United States	United Kingdom	Canada	Latin America	Total	United States	United Kingdom	Canada	Latin America	Total
Total portfolio revenue	\$ 126,594	\$ 7,709	\$ 19,125	\$ 11,835	\$ 165,263	\$ 253,804	\$ 17,063	\$ 35,261	\$ 23,798	\$ 329,926
Credit card revenue	699	—	924	—	1,623	1,422	—	1,936	—	3,358
Servicing revenue	1,244	8,912	498	—	10,654	3,043	16,669	983	—	20,695
Total Revenue	\$ 128,537	\$ 16,621	\$ 20,547	\$ 11,835	\$ 177,540	\$ 258,269	\$ 33,732	\$ 38,180	\$ 23,798	\$ 353,979
Provision for credit losses	\$ 587	\$ —	\$ 170	\$ —		\$ 1,043	\$ —	\$ 337	\$ —	
Salaries and benefits	\$ 15,691	\$ 4,453	\$ 1,302	\$ 434		\$ 32,256	\$ 8,654	\$ 2,698	\$ 647	
Servicing expenses	53,165	4,895	2,745	4,016		107,753	9,579	5,089	7,979	
Depreciation and amortization	559	90	188	7		1,153	170	377	16	
Professional fees	2,423	244	101	285		4,135	448	175	575	
Other selling, general and administrative	3,308	730	430	283		6,585	1,447	771	472	
Net operating income	\$ 52,804	\$ 6,209	\$ 15,611	\$ 6,810	\$ 81,433	\$ 105,344	\$ 13,434	\$ 28,733	\$ 14,109	\$ 161,619
Other Income / (Expense):										
Interest expense					\$ (30,370)					\$ (60,948)
Foreign exchange and other income / (expense)					2,270					3,718
Total other expense					(28,100)					(57,230)
Income Before Income Taxes					\$ 53,333					\$ 104,389

	For the Three Months Ended June 30, 2025					For the Six Months Ended June 30, 2025				
	United States	United Kingdom	Canada	Latin America	Total	United States	United Kingdom	Canada	Latin America	Total
Total portfolio revenue	\$ 106,313	\$ 7,439	\$ 17,634	\$ 9,047	\$ 140,433	\$ 218,058	\$ 11,924	\$ 33,746	\$ 19,019	\$ 282,747
Credit card revenue	630	—	1,168	—	1,798	1,294	—	2,402	—	3,696
Servicing revenue	3,786	6,278	413	—	10,477	8,322	12,145	741	—	21,208
Total Revenue	\$ 110,729	\$ 13,717	\$ 19,215	\$ 9,047	\$ 152,708	\$ 227,674	\$ 24,069	\$ 36,889	\$ 19,019	\$ 307,651
Provision for credit losses	\$ 368	—	192	—		\$ 700	—	401	—	
Salaries and benefits	\$ 618	\$ 4,148	\$ 1,357	\$ 131		\$ 17,363	—	2,669	244	
Servicing expenses	32,522	5,111	2,722	3,191		71,810	3,253	5,054	6,222	
Depreciation and amortization	893	88	258	11		2,148	171	516	19	
Professional fees	8,727	250	244	223		10,362	475	333	441	
Other selling, general and administrative	3,820	650	330	213		7,379	1,243	658	282	
Net Operating Income	\$ 63,781	\$ 3,470	\$ 14,112	\$ 5,278	\$ 86,641	\$ 117,912	\$ 18,927	\$ 27,258	\$ 11,811	\$ 175,908
Other Income / (Expense):										
Interest expense					\$ (25,824)					\$ (50,717)
Foreign exchange and other expense					1,089					3,620
Total other expense					(24,735)					(47,097)
Income Before Income Taxes					\$ 61,906					\$ 128,811

13. Subsequent Events

Other than the below, there have been no events since June 30, 2026 that require recognition or disclosure in the combined and condensed consolidated financial statements.

Dividend Declaration

On August 12, 2026, the Company declared a dividend of \$0.24 per share.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the combined and consolidated financial statements and the related notes included in our audited combined and consolidated financial statements included in the Company's 2025 Form 10-K. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, beliefs, and expectations that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and the sections titled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q (the "Quarterly Report") and the Company's 2025 Form 10-K.

Overview

We provide debt recovery solutions and other related services across a broad range of consumer receivables, including credit card, secured and unsecured automotive, telecom and utilities, and other receivables. We primarily purchase portfolios of previously charged-off consumer receivables at deep discounts to face value and manage them by working with individuals as they repay their obligations and work toward financial recovery. Previously charged-off receivables include receivables subject to bankruptcy proceedings. We also provide debt servicing and other portfolio management services to credit originators for nonperforming loans. In addition, through our credit card acquisition programs, we earn credit card revenue. All deployments are purchased from independent third parties.

We operate and manage our business through four reportable segments that are based on geography: United States, United Kingdom, Canada, and Latin America. We also have the following two primary lines of business:

- Distressed, our largest line of business, represents the purchase, collection, and servicing collection of nonperforming consumer loans; and
- Insolvency, which consists of the purchasing and/or servicing of financial assets of consumers who have entered bankruptcy through Chapter 7 or 13 of the U.S. Bankruptcy Code in the United States, consumer proposal, credit counseling, or bankruptcy in Canada and the United Kingdom.

We are headquartered in Minneapolis, Minnesota, and as of June 30, 2026, with 1,089 FTE (including our offshore co-sourced operation).

Our Business Model

Portfolio Purchasing

We purchase portfolios of nonperforming loans, and occasionally those that are performing but with significant credit deterioration, through either single portfolio transactions, referred to as spot sales, or through the pre-arranged purchase of multiple portfolios at regular intervals, referred to as forward flow sales. Under a forward flow contract, we agree to purchase statistically similar nonperforming loan portfolios from credit grantors on a periodic basis at a negotiated price over a specified time period, generally from six months to a year.

When we purchase portfolios with credit deterioration, we find that our expertise in evaluating and managing charged-off accounts allows us to confidently manage such portfolios with a higher level of credit risk than a buyer without that level of expertise would be comfortable. In such instances, a portfolio may include a mix of loans that are delinquent and restructured as well as a significant amount of charged-off or nonperforming loans, with a high level of risk that more of the current loans will become delinquent over time and eventually need to be charged-off. In these cases, we can offer the seller the convenience of purchasing all its loan assets together as opposed to bidding for only a single category of loan, which might result in a seller needing to transact with multiple counterparties. We regularly evaluate the opportunity to

purchase portfolios that include a mix of performing accounts and nonperforming accounts, and that comprise all of a credit originator's loan assets and believe we will find attractive opportunities to make more purchases like these going forward.

We purchase portfolios of nonperforming loans from credit grantors through auctions and negotiated sales. In an auction process, the seller will assemble a portfolio of nonperforming loans and will seek purchase prices from specifically invited potential purchasers. In a privately negotiated sale process, the seller will contact one or more purchasers directly, receive a bid, and negotiate the terms of sale. In either case, invited purchasers will typically have already successfully completed a qualification process and due diligence examination that includes the seller's review of the purchaser's experience, financial standing, operating procedures, business practices, and compliance oversight.

We purchase receivables based on robust, account-level valuation methods and employ proprietary statistical and behavioral models across our operations. These methods and models allow us to value portfolios accurately (and limit the risk of overpaying), avoid buying portfolios that are incompatible with our methods or strategies, and align the accounts we purchase with our business and collection channels to maximize future collections. As a result, we have been able to realize attractive returns from the receivables we acquire. We maintain strong relationships with many of the largest financial service providers in the United States, Canada, United Kingdom, and Latin America.

Deployments and Collections

Creditors sell their volume in a mix of forward flow arrangements and competitive bid transactions. Sales levels are expected to fluctuate from quarter to quarter with portfolio pricing remaining competitive.

We believe that smaller competitors continue to face difficulties in the portfolio purchasing market because of the high cost to operate due to regulatory pressure, issuers' selectiveness with buyers and lack of consistent access to capital. We believe these operational costs favor larger participants, such as us, because the larger market participants are better able to adapt to these pressures and commit to larger purchases and forward flow agreements.

Deployments

Our deployments are a mix of spot sales and forward flow agreements. The timing, contract duration and volumes for each contract can fluctuate leading to variation when compared to prior periods.

The average purchase price, as a percentage of face value, varies from period to period depending on, among other factors, the type and quality of the accounts purchased and the length of time from charge-off to the time we purchase the portfolios.

The average purchase price as a percentage of face value is higher for newly charged-off portfolios as compared to more seasoned portfolios because newly charged-off portfolios generally have higher liquidation rates. Similarly, portfolios consisting of paying accounts tend to have a higher purchase price relative to face value than non-paying accounts due to the higher expectations for collections, as well as lower anticipated collection costs. As a result, in years that we purchase a higher percentage of newly charged-off assets or paying portfolios, we expect that our purchase price as a percentage of face value would be higher than would be in years where a higher ratio of seasoned assets or non-paying portfolios were purchased.

Collections

We have two primary types of collection channels for the collection of our purchased receivables, legal and voluntary. The legal collection channel consists of collections that result from our internal legal channel or from our network of retained law firms. The voluntary collection channel utilizes call centers (domestic and offshore) and collection agencies. The call center collections include collections that result from our call centers, direct mail programs, and digital collections. The collection agencies collections consist of collections from third-party collection agencies that we utilize when we believe they can liquidate better or less expensively than we can.

Key Business Metrics and Non-GAAP Financial Measures

We regularly review net operating income and net income along with a number of key business metrics and non-GAAP financial measures to evaluate our business, measure our performance, identify trends, prepare financial projections, and make business decisions. Although we believe the key business metrics and non-GAAP financial measures we review are useful, they have limitations as analytical tools and should not be considered in isolation, or as substitutes for analysis of our financial results prepared in accordance with GAAP.

Key Business Metrics

Estimated Remaining Collections

We define ERC as the undiscounted sum of all future projected collections on our owned finance receivables portfolios. We calculate ERC using data derived from our databases of owned and serviced debt portfolio in the markets in which we operate and from our proprietary behavioral and asset valuation models. References to our ERC are references to gross ERC (which includes estimated collections in respect of the current charge-off balances). We believe that our ERC estimation represents an important supplemental measure to compare our cash generating capacity with other companies in the debt collection industry, even though we can provide no assurance that we will achieve such collections within a specified time period, or at all.

The following table summarizes the total ERC by geographic area, or segment, during the three months ended:

(in Millions)	2026	June 30, 2025	Increase (Decrease)	% Change
United States	\$ 2,422.5	\$ 2,101.7	\$ 320.8	15.3 %
Canada	420.5	348.5	72.0	20.7 %
United Kingdom	197.2	158.4	38.8	24.5 %
Latin America	324.0	244.3	79.7	32.6 %
Total	\$ 3,364.2	\$ 2,852.9	\$ 511.3	17.9 %

For the three months ended June 30, 2026, ERC in our United States reportable segment included \$218.2 million from the Bluestem portfolio purchase with the comparative 2025 period having no ERC related to Bluestem.

Deployments

Deployments refers to portfolios purchases in the ordinary course. We believe deployments represent an important measure of our investment activity. Deployments are a key driver of the growth of our ERC and a measure to compare growth in our business with the growth of other companies in the debt collection industry.

The following tables summarize the total deployments or purchases by geographic area, or reportable segments, during the three months ended:

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
United States	\$ 93.1	\$ 80.6	\$ 12.5	15.5 %
Canada	34.2	26.6	7.6	28.6 %
United Kingdom	6.9	4.7	2.2	46.8 %
Latin America	18.0	13.4	4.6	34.3 %
Total Purchases	\$ 152.2	\$ 125.3	\$ 26.9	21.5 %

During the three months ended June 30, 2026, we invested \$152.2 million to acquire receivable portfolios, with face values aggregating \$2,873.2 million, for an average purchase price of 5.3% of face value. The amount invested in receivable portfolios increased \$26.9 million, or 21.5%, compared with the \$125.3 million invested during the three months ended June 30, 2025, to acquire receivable portfolios with face values aggregating \$1,759.6 million, for an average purchase price of 7.1% of face value.

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
United States	\$ 181.1	\$ 200.2	\$ (19.1)	(9.5)%
Canada	67.9	78.6	(10.7)	(13.6)%
United Kingdom	16.4	6.6	9.8	148.3 %
Latin America	36.5	15.1	21.4	141.7 %
Total Purchases	\$ 301.9	\$ 300.5	\$ 1.4	0.5 %

During the six months ended June 30, 2026, we invested \$301.9 million to acquire receivable portfolios, with face values aggregating \$5,581.3 million, for an average purchase price of 5.4% of face value. The amount invested in receivable portfolios increased \$1.4 million, or 0.5%, compared with the \$300.5 million invested during the six months ended June 30, 2025, to acquire receivable portfolios with face values aggregating \$4,517.0 million, for an average purchase price of 6.7% of face value.

Collections

The following tables summarize the total collections by geographic area, or reportable segment, during the periods presented:

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
United States	\$ 235.4	\$ 202.4	\$ 33.0	16.3 %
Canada	35.3	30.8	4.5	14.6 %
United Kingdom	12.2	10.7	1.5	14.0 %
Latin America	18.0	11.8	6.2	52.5 %
Total Collections	\$ 300.9	\$ 255.7	\$ 45.2	17.7 %

Collections from purchased receivables increased by \$45.2 million or 17.7% to \$300.9 million during the three months ended June 30, 2026, from \$255.7 million during the three months ended June 30, 2025. The increase in collections from purchased receivables compared to the three months ended June 30, 2025, was primarily a result of increased purchases during the period. Collections in our United States reportable segment included for the three months ended June 30, 2026 were \$41.0 million for the Bluestem portfolio with no collections in the comparative 2025 period.

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
United States	\$ 485.9	\$ 416.8	\$ 69.1	16.6 %
Canada	67.6	56.5	11.1	19.6 %
United Kingdom	23.0	20.9	2.1	10.0 %
Latin America	34.3	22.4	11.9	53.1 %
Total Collections	\$ 610.8	\$ 516.6	\$ 94.2	18.2 %

Collections from purchased receivables increased by \$94.2 million or 18.2% to \$610.8 million during the six months ended June 30, 2026, from \$516.6 million during the six months ended June 30, 2025. The increase in collections from purchased receivables compared to the six months ended June 30, 2025, was primarily a result of increased purchases during the period. Collections in our United States reportable segment included \$95.5 million from the Bluestem portfolio with no collections in the comparative 2025 period.

Non-GAAP Financial Measures

To supplement our combined and condensed consolidated financial statements prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures throughout this Quarterly Report, as described further below, to provide investors with additional useful information about our financial performance, to enhance the overall understanding of our past performance and future prospects and to allow for greater transparency with respect to important metrics used by our management for financial and operational decision-making.

Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, non-GAAP financial measures may be calculated differently from, and therefore may not be directly comparable to, similarly titled measures used by other companies. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, our combined and condensed consolidated financial statements prepared and presented in accordance with GAAP.

Adjusted Net Income

Adjusted net income is calculated as net income in accordance with GAAP, adjusted to exclude (i) foreign exchange and other income (expense); (ii) stock-based compensation; (iii) provision for income taxes and (iv) merger and acquisition and other infrequent, non-recurring, non-core or unusual charges. Adjusted net income is a supplemental measure of performance that is not required by, or presented in accordance with, GAAP. We present adjusted net income because we consider it an important supplemental measure of our operations and financial performance. Our management believes adjusted net income helps us provide enhanced period-to-period comparability of operations and financial performance and is useful to investors as other companies in our industry report similar financial measures. Adjusted net income should not be considered as an alternative to net income determined in accordance with GAAP.

Some of the limitations related to the use of adjusted net income as an analytical tool include:

- does not reflect our future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs; and
- other companies in our industry may calculate adjusted net income differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, adjusted net income should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

Set forth below is a reconciliation of adjusted net income to net income, the most directly comparable financial measure calculated and reported in accordance with GAAP.

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Net Income	\$ 41.3	\$ 47.7	\$ (6.4)	(13.3)%
Foreign exchange and other income (expense)	(2.3)	(1.1)	(1.2)	108.4 %
Incremental provision for income taxes	—	12.2	(12.2)	(100.0)%
Stock compensation	8.3	(8.3)	16.6	(200.0)%
Merger and acquisition and initial public offering related expenses	-	9.1	(9.1)	(100.0)%
Adjusted Net Income	\$ 47.3	\$ 59.6	\$ (12.3)	(20.7)%

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Net Income	\$ 78.9	\$ 111.9	\$ (33.0)	(29.5)%
Foreign exchange and other income (expense)	(3.7)	(3.6)	(0.1)	2.8 %
Incremental provision for income taxes	—	12.2	(12.2)	(100.0)%
Stock compensation	16.9	(7.9)	24.8	(313.9)%
Merger and acquisition and initial public offering related expenses	0.2	9.7	(9.5)	(98.0)%
Adjusted Net Income	\$ 92.3	\$ 122.3	\$ (30.0)	(24.5)%

Components of Results of Operations

Revenue

Our revenue is primarily derived from revenue from investments in receivables, which is revenue recognized from engaging in debt purchasing and recovery activities, and from credit card and servicing revenue streams.

Total Portfolio Revenue

Portfolio revenue consists of two components: (i) portfolio income, which is the accretion of the discount on the negative allowance due to the passage of time (generally the portfolio balance multiplied by the established pool effective interest rate (“EIR”)), and (ii) changes in recoveries, which includes recoveries above or below forecast (the difference between actual cash collected or recovered during the current period and expected cash recoveries for the current period) and changes in expected future recoveries (the present value change of expected future recoveries, where such change generally results from changes to the expected timing of collections and changes to the total amount of expected future collections).

For a majority of the portfolios we purchase, we apply our charge-off policy and fully write off the amortized costs of the individual receivables we acquire immediately after purchasing the portfolio. We then record a negative allowance that represents the present value of all expected future recoveries for pools of receivables that share similar risk characteristics using a discounted cash flow approach, which is presented as “investments in previously charged-off receivables, net” on our combined and condensed consolidated balance sheet. The discount rate is a purchase EIR established based on the purchase price of the portfolio and the expected future cash flows at the time of purchase. From time to time, we will also purchase performing portfolios for a discount, where we will apply the interest method and accrete the discount.

Credit Card Revenue

Credit card revenue consists of interest income, annual fees, late fees, as well as interchange fees, cash advance fees and other miscellaneous items from credit card transactions. Interest income is accrued monthly based on the outstanding receivables and their contractual interest rates.

Servicing Revenue

Servicing revenue consists of the revenue we generate from providing collection services to certain third parties. Generally, we receive a percentage of collections as the fee for services, and in some cases, we receive a fixed fee. Servicing revenue is recognized when the underlying receivables are collected or when a fixed fee service is performed.

Allowance for Credit Losses

Provision for credit losses is the allowance we provide for credit losses on loans and fees receivable. We compute the allowance for credit losses on loans and fees receivable at the pool level using a roll-rate methodology and consider a number of factors in the measurement of the allowance, including historical loss rates, current delinquency and roll-rate trends, the effects of changes in the economy, changes in underwriting criteria and estimated recoveries. The allowance is estimated based on amortized cost basis of the loan, including principal, accrued interest receivable, deferred fees and costs. We place receivables on non-accrual at 90 days past due and write off the accrued interest at 180 days past due or sooner if facts and circumstances indicate earlier non-collectability. Expected recoveries are included in the measurement of the allowance for credit losses.

Operating Expenses

Salaries and Benefits Expense

Salaries and benefits expense primarily consists of base salary, commission, bonus expense and healthcare costs. Additionally, it includes 401k match and stock-based compensation expense. We expense all salaries and benefits expense as incurred. While we expect our salaries and benefits expense will increase in absolute dollars as we continue to invest in our growth and operate as a public company (including as a result of increased stock-based compensation), we expect such expense to decline as a percentage of revenue over time as we scale our business and leverage our investments already made.

Servicing Expenses

Servicing expenses primarily consists of collections and customer service expenses associated with previously charged-off receivables, such as the cost of outsourced collections, debtor correspondence, legal fees associated with the collection of debt and other direct expenses associated with collections and customer service efforts. While we expect our servicing expenses will increase in absolute dollars as our business grows, we expect such expenses will vary from period-to-period as a percentage of revenue for the foreseeable future and decrease as a percentage of revenue over the long term as a result of continued investments to improve the efficiency of our operations and support organization.

Depreciation and Amortization

Depreciation and amortization consists of depreciation of property and equipment and amortization of intangible assets.

Professional Fees

Professional fees primarily consists of legal and consulting expenses, including annual audit fees and various other outside service fees provided by expert services firms. In addition, it includes legal fees associated with settlements and fees associated with merger and acquisition expenses.

We incurred additional expenses related to the IPO and expect to incur additional expense primarily due to the costs of operating as a public company, which are expected to include additional legal, accounting and consulting expenses, among others.

Other Selling, General and Administrative Expenses

Other selling, general and administrative expenses generally consists of rent, travel and entertainment expenses, and other general overhead expenses.

Other Income (Expense)

Interest Expense

Interest expense consists of interest expense on our outstanding debt and amortization of debt issuance costs.

Foreign Exchange and Other Income (Expense)

Foreign exchange and other income (expense) consists of foreign currency related realized gains or losses on portfolio purchase transactions.

Results of Operations

Three months ended June 30, 2026 compared to the three months ended June 30, 2025.

The following tables set forth combined and condensed consolidated income statement data expressed in a dollar amount and as a percentage of total revenues for the periods indicated:

(in Millions)	Three Months Ended June 30,			
	2026		2025	
Revenues:				
Portfolio income	\$ 156.3	88.0 %	\$ 138.9	90.9 %
Changes in recoveries	9.0	5.1 %	1.6	1.0 %
Total portfolio revenue	\$ 165.3	93.1 %	\$ 140.5	92.0 %
Credit card revenue	1.6	0.9 %	1.8	1.2 %
Servicing revenue	10.7	6.0 %	10.5	6.9 %
Total revenues	\$ 177.5	100.0 %	\$ 152.8	100.0 %
Provision for credit losses				
	\$ 0.8	0.4 %	\$ 0.6	0.4 %
Operating expenses:				
Salaries and benefits	\$ 21.9	12.3 %	\$ 6.3	4.1 %
Servicing expenses	64.8	36.5 %	43.5	28.5 %
Depreciation and amortization	0.8	0.5 %	1.3	0.9 %
Professional fees	3.1	1.7 %	9.4	6.2 %
Other selling, general and administrative	4.8	2.7 %	5.0	3.3 %
Total operating expenses	\$ 95.4	53.7 %	\$ 65.5	42.9 %
Net operating income	\$ 81.4	45.9 %	\$ 86.7	56.7 %
Other income (expense):				
Interest expense	\$ (30.4)	(17.1)%	\$ (25.8)	(16.9)%
Foreign exchange and other income (expense)	2.3	1.3 %	1.1	0.7 %
Total other income / (expense)	(28.1)	(15.8)%	(24.7)	(16.2)%
Income before income taxes	\$ 53.3	30.0 %	\$ 62.0	40.6 %
Provision for income taxes	(12.0)	(6.8)%	(14.3)	(9.4)%
Net income	\$ 41.3	23.3 %	\$ 47.7	31.2 %
Foreign currency translation	(1.5)	(0.9)%	14.4	9.4 %
Comprehensive income	\$ 39.8	22.4 %	\$ 62.1	40.6 %

Revenues

A summary of how our revenues were generated during the periods indicated is as follows:

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Cash collections	\$ 300.9	\$ 255.7	\$ 45.2	17.7 %
Principal amortization	(135.6)	(115.2)	(20.4)	17.7 %
Total portfolio revenue	165.3	140.5	24.8	17.6 %
Credit card revenue	1.6	1.8	(0.2)	(11.1)%
Servicing revenue	10.7	10.5	0.2	1.9 %
Total revenues	\$ 177.5	\$ 152.8	\$ 24.8	16.2 %

Total revenues were \$177.5 million for the three months ended June 30, 2026, an increase of \$24.8 million, or 16.2%, compared to \$152.8 million for the three months ended June 30, 2025. The increase is primarily a result of strong deployment growth in prior periods.

Operating Expenses

Total operating expenses were \$95.4 million for the three months ended June 30, 2026, an increase of \$29.9 million, or 45.6%, compared to \$65.5 million for the three months ended June 30, 2025 driven primarily by an increase of \$21.3 million in servicing expenses due to increased court costs of \$9.3 million which are incurred upfront at the outset of consumer litigation in anticipation of generating future collections, higher agency and legal commissions of \$6.5 million and an increase of \$16.6 million in stock-based compensation expense over the three months ended June 30, 2025 partially offset by lower professional fees of \$6.3 million due to legal and professional fees incurred as part of the initial public offering in June 2025.

Salaries and Benefits

Salaries and benefits were \$21.9 million for the three months ended June 30, 2026 an increase of \$15.6 million, or 247.6%, compared to \$6.3 million for the three months ended June 30, 2025. The increase in Salaries was driven by \$8.3 million in stock-based compensation costs which primarily reflects the amortization of grant-date fair value of restricted stock awards granted in connection with the IPO as well as the reversal of compensation accrual of \$8.3 million for outstanding Class B units prior to the IPO.

Servicing Expenses

Servicing expenses were \$64.8 million for the three months ended June 30, 2026, an increase of \$21.3 million, or 49.0%, compared to \$43.5 million for the three months ended June 30, 2025. The increase in servicing expenses was primarily driven by increased collections and court costs which are incurred upfront at the outset of consumer litigation in anticipation of generating future collections. Servicing expenses consisted of the following for the three months ended June 30, 2026 and 2025:

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Agency and repo commission expense	\$ 15.0	\$ 12.6	\$ 2.4	19.0 %
Legal commission expense	10.8	6.7	4.1	61.9 %
Court costs	21.7	12.4	9.3	74.6 %
Communications	8.3	5.8	2.5	42.8 %
Offshore	4.1	3.3	0.8	23.8 %
Other servicing expenses	5.0	2.7	2.3	84.0 %
Total servicing expenses	\$ 64.8	\$ 43.5	\$ 21.3	48.9 %

Depreciation and Amortization

Depreciation and amortization was \$0.8 million for the three months ended June 30, 2026, a \$0.5 million, or 38.5%, decrease from the \$1.3 million for the three months ended June 30, 2025. The decrease was primarily due to assets fully amortizing since June 30, 2025 and lower amortization of \$0.3 million related to the Conn's portfolio purchase.

Professional Fees

Professional fees were \$3.1 million for the three months ended June 30, 2026 a decrease of \$6.3 million, or 67.0%, compared to \$9.4 million for the three months ended June 30, 2025. The decrease was primarily due to one-time legal and professional fees incurred as part of the initial public offering in June 2025.

Other Selling, General and Administrative Expenses

Other selling, general and administrative expenses which generally consists of rent, travel and entertainment expenses, and other general overhead expenses were \$4.8 million for the three months ended June 30, 2026, a decrease of \$0.2 million or 4.0%, compared to \$5.0 million for the three months ended June 30, 2025. The decrease is primarily due to lower rent in the three months ended June 30, 2026 related to the Conn's portfolio purchase compared to the three months ended June 30, 2025.

Other Income (Expense)

Interest Expense

Total interest expense was \$30.4 million for the three months ended June 30, 2026, an increase of \$4.6 million, or 18.0%, compared to \$25.8 million for the three months ended June 30, 2025. The increase was primarily driven by an increase in the cost of debt due to the payoff of the credit facility with the net proceeds of the 2030 Senior Notes issued in May 2025 as well as by increased amortization of debt issuance costs of \$1.7 million, an increase of \$0.3 million or 21.4% higher compared to \$1.4 million for the three months ended June 30, 2025, due to the issuance of the 2030 Senior Notes in May 2025.

Interest expense consisted of the following for the three months ended June 30, 2026 and 2025:

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Interest expense	\$ 28.7	\$ 24.4	\$ 4.3	17.8 %
Amortization of debt issuance costs	1.7	1.4	0.3	23.3 %
Total interest expense	\$ 30.4	\$ 25.8	\$ 4.6	17.8 %

Provision for Income Tax Expense

The provision for income taxes consists primarily of income taxes in certain federal, state, local and foreign jurisdictions in which we conduct business. Foreign jurisdictions typically have different statutory tax rates from those in the United States. Accordingly, our effective tax rates may vary depending on the impact of the valuation allowance of our deferred tax assets and liabilities, and changes in tax laws. The provision for income tax was \$12.0 million for the three months ended June 30, 2026, a decrease of \$2.3 million or 16.1% compared to \$14.3 million for the three months ended June 30, 2025 due to lower taxable income for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Segment Results of Operations

The following tables set forth combined and condensed consolidated income statement amounts categorized by segment, for the periods indicated:

(in Millions)	2026					2025				
	Three Months Ended June 30,									
	United States	United Kingdom	Canada	Latin America	Total	United States	United Kingdom	Canada	Latin America	Total
Portfolio revenue	\$ 126.6	\$ 7.7	\$ 19.1	\$ 11.8	\$ 165.3	\$ 106.5	\$ 7.4	\$ 17.6	\$ 9.0	\$ 140.5
Credit card revenue	0.7	—	0.9	—	1.6	0.6	—	1.2	—	1.8
Servicing revenue	1.2	8.9	0.5	—	10.6	3.8	6.3	0.4	—	10.5
Total Revenue	\$ 128.5	\$ 16.6	\$ 20.5	\$ 11.8	\$ 177.5	\$ 110.9	\$ 13.7	\$ 19.2	\$ 9.0	\$ 152.8
Provision for credit losses	\$ 0.6	\$ —	\$ 0.2	\$ —	\$ 0.8	\$ 0.4	—	0.2	—	\$ 0.6
Operating Expenses										
Salaries and benefits	15.7	4.5	1.3	0.4	21.9	0.7	4.1	1.4	0.1	6.3
Servicing expenses	53.2	4.9	2.7	4.0	64.8	32.5	5.1	2.7	3.2	43.5
Depreciation and amortization	0.6	0.1	0.2	0.0	0.8	0.9	0.1	0.3	—	1.3
Professional fees	2.4	0.2	0.1	0.3	3.1	8.7	0.3	0.2	0.2	9.4
Other selling, general and administrative	3.4	0.7	0.4	0.3	4.8	3.8	0.7	0.3	0.2	5.0
Total Operating Expenses	\$ 75.3	\$ 10.4	\$ 4.7	\$ 5.0	\$ 95.4	\$ 46.6	\$ 10.3	\$ 4.9	\$ 3.7	\$ 65.5
Net Operating Income	\$ 52.6	\$ 6.2	\$ 15.6	\$ 6.8	\$ 81.4	\$ 63.9	\$ 3.4	\$ 14.1	\$ 5.3	\$ 86.7
Net operating income margin	40.9 %	37.3 %	75.9 %	57.5 %	45.9 %	57.6 %	24.8 %	73.4 %	58.9 %	56.7 %

United States

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 126.6	\$ 106.5	\$ 20.1	18.9 %
Credit card revenue	0.7	0.6	0.1	16.7 %
Servicing revenue	1.2	3.8	(2.6)	(68.4)%
Total Revenue	\$ 128.5	\$ 110.9	\$ 17.6	15.9 %
Provision for credit losses	\$ 0.6	\$ 0.4	\$ 0.2	50.0 %
Operating Expenses				
Salaries and benefits	15.7	0.7	15.0	2,142.9 %
Servicing expenses	53.2	32.5	20.7	63.7 %
Depreciation and amortization	0.6	0.9	(0.3)	(33.3)%
Professional fees	2.4	8.7	(6.3)	(72.4)%
Other selling, general and administrative	3.4	3.8	(0.4)	(10.5)%
Total Operating Expenses	\$ 75.3	\$ 46.6	\$ 28.7	61.6 %
Net Operating Income	\$ 52.6	\$ 63.9	\$ (11.3)	(17.6)%
Net operating income margin	40.9 %	57.6 %		

Portfolio revenue grew \$20.1 million or 18.9% in the three months ended June 30, 2026 compared to June 30, 2025, primarily due to the growth in deployments, including the Bluestem portfolio purchase.

Servicing revenue decreased \$2.6 million or 68.4% for the three months ended June 30, 2026 compared to June 30, 2025, primarily due to the Conn's portfolio purchase, which contributed \$0.6 million of total servicing revenue in the three months ended June 30, 2026 compared with \$3.1 million in the three months ended June 30, 2025.

Salaries and benefits increased \$15.0 million or 2,142.9% in the three months ended June 30, 2026 compared to June 30, 2025 driven by \$8.3 million for stock-based compensation which primarily reflects the amortization of grant-date fair value of restricted stock awards granted in connection with the IPO in June 2025 as well as the reversal of stock-based compensation accrual of \$8.3 million for outstanding Class B units partially offset by reductions in personnel and benefit costs related to the Conn's portfolio purchase due to 72 less FTE for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

Servicing expenses grew \$20.7 million or 63.7% in the three months ending June 30, 2026 compared to June 30, 2025 driven by increased collections and increased court costs of \$9.3 million which are incurred upfront at the outset of consumer litigation in anticipation of generating future collections, higher agency and legal commissions. Servicing expenses includes \$3.9 million related to the Bluestem portfolio purchase with no expense in the comparative period in 2025.

Depreciation and amortization was \$0.6 million for the three months ended June 30, 2026, a \$0.3 million, or 33.3%, decrease from the \$0.9 million for the three months ended June 30, 2025. The decrease was primarily due to lower intangible amortization expense of \$0.3 million for the three months ended June 30, 2026 associated with the Conn's purchase compared to the three months ended June 30, 2025.

Professional fees decreased \$6.3 million or 72.4% in the three months ended June 30, 2026 compared to June 30, 2025 driven by one-time legal and professional fees incurred as part of the initial public offering in June 2025.

Other selling, general and administrative expenses which generally consists of rent expense, travel and entertainment, and other general overhead expenses decreased \$0.4 million or 10.5% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to lower rent expense related to the Conn's portfolio purchase and various other expense reductions.

Overall net operating income decreased \$11.3 million or 17.6% in the three months ended June 30, 2026 compared to June 30, 2025 to \$52.7 million from \$63.9 million driven by higher stock-based compensation which primarily reflects the amortization of grant-date fair value of restricted stock awards granted in connection with the IPO in June 2025, lower net operating income of \$11.4 million associated with the Conn's portfolio purchase compared to the three months ended June 30, 2025, partially offset by \$7.1 million in net operating income associated with the Bluestem portfolio purchase with no net operating income for Bluestem in the comparative period in 2025. Net operating income as a percentage of total revenues was 40.9% in the three months ended June 30, 2026 compared to 57.6% in June 30, 2025.

United Kingdom

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 7.7	\$ 7.4	\$ 0.3	4.1 %
Servicing revenue	8.9	6.3	2.6	41.3 %
Total Revenue	\$ 16.6	\$ 13.7	\$ 2.9	21.2 %
Operating Expenses				
Salaries and benefits	4.5	4.1	0.4	9.8 %
Servicing expenses	4.9	5.1	(0.2)	(4.0)%
Depreciation and amortization	0.1	0.1	(0.0)	0.0 %
Professional fees	0.2	0.3	(0.1)	(33.3)%
Other selling, general and administrative	0.7	0.7	0.0	— %
Total Operating Expenses	\$ 10.4	\$ 10.3	\$ 0.1	1.0 %
Net Operating Income	\$ 6.2	\$ 3.4	\$ 2.8	82.4 %
Net operating income margin	37.3 %	24.8 %		

Portfolio revenue increased \$0.3 million or 4.1% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to an increase in deployment volumes.

Servicing revenue increased \$2.6 million or 41.3% in the three months ended June 30, 2026 compared to June 30, 2025 due to increased third party servicing.

Salaries and benefits increased \$0.4 million or 9.8% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to higher employee salary and benefit costs.

Servicing expenses decreased \$0.2 million or 4.0% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to cost control initiatives.

Overall net operating income increased \$2.8 million or 82.4% in the three months ended June 30, 2026 compared to June 30, 2025 due to higher deployments and increased third party servicing. Net operating income as a percentage of total revenues was 37.3% in the three months ended June 30, 2026 compared to 24.8% in June 30, 2025.

Canada

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 19.1	\$ 17.6	\$ 1.5	8.7 %
Credit card revenue	0.9	1.2	(0.3)	(23.0)%
Servicing revenue	0.5	0.4	0.1	24.4 %
Total Revenue	\$ 20.5	\$ 19.2	\$ 1.3	7.0 %
Provision for credit losses	\$ 0.2	\$ 0.2	\$ (0.0)	— %
Operating Expenses				
Salaries and benefits	1.3	1.4	(0.1)	(7.1)%
Servicing expenses	2.7	2.7	—	— %
Depreciation and amortization	0.2	0.3	(0.1)	(33.3)%
Professional fees	0.1	0.2	(0.1)	(50.0)%
Other selling, general and administrative	0.4	0.3	0.1	33.3 %
Total Operating Expenses	\$ 4.7	\$ 4.9	\$ (0.2)	(4.1)%
Net Operating Income	\$ 15.6	\$ 14.1	\$ 1.5	10.6 %
Net operating income margin	75.9 %	73.4 %		

Portfolio revenue increased \$1.5 million or 8.7% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to higher deployments.

Credit card revenue decreased \$0.3 million or 23.0% in the three months ended June 30, 2026 compared to June 30, 2025 due to the portfolio continuing to attrit with no new originations since August 2024 due to regulatory changes.

Servicing revenue increased \$0.1 million or 24.4% in the three months ended June 30, 2026 compared to June 30, 2025 due to the underlying organic growth.

Overall net operating income increased \$1.5 million or 10.6% in the three months ended June 30, 2026 compared to June 30, 2025 due to higher revenue growth. Net operating income as a percentage of total revenues was 75.9% in the three months ended June 30, 2026 compared to 73.4% in June 30, 2025.

Latin America

(in Millions)	Three Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 11.8	\$ 9.0	\$ 2.8	31.5 %
Total Revenue	\$ 11.8	\$ 9.0	\$ 2.8	31.5 %
Operating Expenses				
Salaries and benefits	0.4	0.1	0.3	333.6 %
Servicing expenses	4.0	3.2	0.8	25.5 %
Depreciation and amortization	0.0	—	0.0	0.0 %
Professional fees	0.3	0.2	0.1	42.3 %
Other selling, general and administrative	0.3	0.2	0.1	41.5 %
Total Operating Expenses	\$ 5.0	\$ 3.7	\$ 1.3	35.8 %
Net Operating Income	\$ 6.8	\$ 5.3	\$ 1.5	28.5 %
Net operating income margin	57.5 %	58.9 %		

Portfolio revenue increased \$2.8 million or 31.5% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to increase in deployments.

Salaries and benefits increased \$0.3 million or 333.6% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to an FTE increase of 16 in March 2026.

Servicing expenses increased \$0.8 million or 25.5% in the three months ended June 30, 2026 compared to June 30, 2025 primarily due to increased collections.

Overall net operating income increased by \$1.5 million or 28.5% in the three months ended June 30, 2026 compared to June 30, 2025 due to portfolio revenue growth. Net operating income as a percentage of total revenues was 57.5% in the three months ended June 30, 2026 compared to 58.9% in June 30, 2025.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

The following tables set forth combined and condensed consolidated income statement data expressed in a dollar amount and as a percentage of total revenues for the periods indicated:

(in Millions)	Six Months Ended June 30,			
	2026		2025	
Revenues:				
Portfolio income	\$ 313.9	88.7 %	\$ 277.6	90.2 %
Changes in recoveries	16.1	4.5 %	5.2	1.7 %
Total portfolio revenue	\$ 329.9	93.2 %	\$ 282.8	92.0 %
Credit card revenue	3.4	0.9 %	3.7	1.2 %
Servicing revenue	20.7	5.8 %	21.1	6.9 %
Total revenues	\$ 354.0	100.0 %	\$ 307.6	100.0 %
Provision for credit losses	\$ 1.4	0.4 %	\$ 1.1	0.4 %
Operating Expenses:				
Salaries and benefits	\$ 44.3	12.5 %	\$ 20.3	6.6 %
Servicing expenses	130.4	36.8 %	86.3	28.1 %
Depreciation and amortization	1.7	0.5 %	2.9	0.9 %
Professional fees	5.3	1.5 %	11.6	3.8 %
Other selling, general and administrative	9.3	2.6 %	9.5	3.1 %
Total operating expenses	\$ 191.0	54.0 %	\$ 130.5	42.5 %
Net operating income	\$ 161.6	45.7 %	\$ 175.9	57.2 %
Other income / (expense):				
Interest expense	\$ (60.9)	(17.2)%	\$ (50.7)	(16.5)%
Foreign exchange and other income (expense)	3.7	1.1 %	3.6	1.2 %
Total other income / (expense)	(57.2)	(16.2)%	(47.1)	(15.3)%
Income before income taxes	\$ 104.4	29.5 %	\$ 128.8	41.9 %
Provision for income taxes	(25.5)	(7.2)%	(16.9)	(5.5)%
Net income	\$ 78.9	22.3 %	\$ 111.9	36.4 %
Foreign currency translation	(7.2)	(2.0)%	18.3	5.9 %
Comprehensive income	\$ 71.7	20.3 %	\$ 130.2	42.3 %

Revenues

A summary of how our revenues were generated during the six months ended June 30, 2026 and 2025 is as follows:

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Cash Collections	\$ 610.8	\$ 516.6	\$ 94.2	18.2 %
Principal Amortization	(280.9)	(233.8)	(47.1)	20.1 %
Total portfolio revenue	329.9	282.8	47.1	16.6 %
Credit card revenue	3.4	3.7	(0.3)	(9.2)%
Servicing revenue	20.7	21.1	(0.4)	(2.0)%
Total revenues	\$ 354.0	\$ 307.6	\$ 46.4	15.1 %

Total revenues were \$354.0 million for the six months ended June 30, 2026, an increase of \$46.4 million, or 15.1%, compared to \$307.6 million for the six months ended June 30, 2025. The increase is primarily a result of increased deployments during the period.

Operating Expenses

Total operating expenses were \$191.0 million for the six months ended June 30, 2026, an increase of \$60.4 million, or 46.3%, compared to \$130.6 million for the six months ended June 30, 2025 driven by an increase in salaries expense of \$24.0 million primarily for stock-based compensation of \$16.9 million which primarily reflects the amortization of grant-date fair value of restricted stock awards granted in connection with the IPO in June 2025 as well as the reversal of stock-based compensation accrual of \$8.3 million for outstanding Class B units partially offset by reductions in personnel and benefit costs related to the Conn's portfolio purchase due to 72 less FTE for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 and servicing expense increase of \$44.1 million related to increased collections.

Professional fees decreased \$6.3 million primarily due to legal and professional fees incurred as part of the initial public offering in June 2025.

Salaries and Benefits

Salaries and benefits were \$44.3 million for the six months ended June 30, 2026 an increase of \$24.0 million, or 118.3%, compared to \$20.3 million for the six months ended June 30, 2025 primarily due to stock-based compensation of \$16.9 million which primarily reflects the amortization of grant-date fair value of restricted stock awards granted in connection with the IPO in June 2025 as well as the reversal of stock-based compensation accrual of \$8.3 million for outstanding Class B units and higher salary and benefit expenses partially offset by reductions in personnel and benefit costs related to the Conn's portfolio purchase due to 72 less FTE for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Servicing Expenses

Servicing expenses were \$130.4 million for the six months ended June 30, 2026, an increase of \$44.1 million, or 51.0%, compared to \$86.3 million for the six months ended June 30, 2025. The increase in servicing expenses was primarily driven by increased collections and court costs which are incurred upfront at the outset of consumer litigation in anticipation of generating future collections. Servicing expenses consisted of the following for the six months ended June 30, 2026 and 2025:

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Agency and repo commission expense	\$ 26.3	\$ 24.9	\$ 1.4	5.6 %
Legal commission expense	19.6	13.2	6.4	48.7 %
Court costs	39.0	21.8	17.2	78.7 %
Communications	17.7	14.7	3.0	20.7 %
Offshore	7.9	6.7	1.2	17.9 %
Other servicing expenses	19.9	5.0	14.9	295.4 %
Total servicing expenses	\$ 130.4	\$ 86.3	\$ 44.1	51.0 %

Depreciation and Amortization

Depreciation and amortization was \$1.7 million for the six months ended June 30, 2026, a \$1.2 million, or 41.3%, decrease from the \$2.9 million for the six months ended June 30, 2025. The decrease was due to lower intangible assets amortization of \$1.0 million associated with the Conn's purchase.

Professional Fees

Professional fees were \$5.3 million for the six months ended June 30, 2026, a decrease of \$6.3 million, or 54.3%, compared to \$11.6 million for the six months ended June 30, 2025. The decrease was primarily due to one-time legal and professional fees incurred as part of the initial public offering in June 2025.

Other Selling, General and Administrative Expenses

Other selling, general and administrative expenses generally consist of rent, travel and entertainment expenses, and other general overhead expenses. These expenses totaled \$9.3 million for the six months ended June 30, 2026, a decrease of \$0.2 million or 2.1%, compared to \$9.5 million for the six months ended June 30, 2025. The decrease is due to lower rent expense related to the Conn's portfolio purchase and various other expense reductions.

Other Income (Expense)

Interest Expense

Total interest expense was \$60.9 million for the six months ended June 30, 2026, an increase of \$10.2 million, or 20.1%, compared to \$50.7 million for the six months ended June 30, 2025. The increase was primarily driven by higher interest expense related to the outstanding notes payable, as well as increased amortization of debt issuance costs of \$3.3 million, an increase of \$0.7 million or 29.8% higher compared to \$2.5 million for the six months ended June 30, 2025, due to the issuance of the 2030 Senior Notes in May 2025.

Interest expense consisted of the following for the period ended June 30, 2026 and 2025:

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Interest expense	\$ 57.6	\$ 48.2	\$ 9.4	19.5 %
Amortization of debt issuance costs	3.3	2.5	0.7	29.8 %
Total interest expense	\$ 60.9	\$ 50.7	\$ 10.2	20.1 %

Provision for Income Tax Expense

The provision for income taxes consists primarily of income taxes in certain federal, state, local and foreign jurisdictions in which we conduct business. Foreign jurisdictions typically have different statutory tax rates from those in the United States. Accordingly, our effective tax rates may vary depending on the impact of the valuation allowance of our deferred tax assets and liabilities, and changes in tax laws. The provision for income tax was \$25.5 million for the six months ended June 30, 2026, an increase of \$8.6 million or 50.9% compared to \$16.9 million for the six months ended June 30, 2025 which increased in 2026 as the Company is no longer treated as a Partnership for US income tax purposes as it was before the IPO in June 2025.

Segment Results of Operations

The following tables set forth combined and condensed consolidated income statement amounts categorized by segment, for the periods indicated:

(in Millions)	Six Months Ended June 30,									
	2026					2025				
	United States	United Kingdom	Canada	Latin America	Total	United States	United Kingdom	Canada	Latin America	Total
Portfolio revenue	\$ 253.8	\$ 17.1	\$ 35.3	\$ 23.8	\$ 329.9	\$ 218.2	\$ 11.9	\$ 33.7	\$ 19.0	\$ 282.8
Credit card revenue	1.4	—	1.9	—	3.4	1.3	—	2.4	—	3.7
Servicing revenue	3.0	16.7	1.0	—	20.7	8.3	12.1	0.7	—	21.1
Total Revenue	\$ 258.2	\$ 33.8	\$ 38.2	\$ 23.8	\$ 354.0	\$ 227.8	\$ 24.0	\$ 36.8	\$ 19.0	\$ 307.6
Provision for credit losses	\$ 1.0	\$ —	\$ 0.3	\$ —	\$ 1.4	\$ 0.7	\$ —	\$ 0.4	\$ —	\$ 1.1
Operating Expenses										
Salaries and benefits	\$ 32.3	\$ 8.7	\$ 2.7	\$ 0.6	\$ 44.3	\$ 9.6	\$ 7.8	\$ 2.7	\$ 0.2	\$ 20.3
Servicing expenses	107.7	9.6	5.1	8.0	130.4	65.9	9.1	5.1	6.2	86.3
Depreciation and amortization	1.1	0.2	0.4	—	1.7	2.2	0.2	0.5	—	2.9
Professional fees	4.1	0.4	0.2	0.6	5.3	10.4	0.5	0.3	0.4	11.6
Other selling, general and administrative	6.6	1.4	0.8	0.5	9.3	7.3	1.2	0.7	0.3	9.5
Total Operating Expenses	\$ 151.8	\$ 20.3	\$ 9.2	\$ 9.7	\$ 191.0	\$ 95.4	\$ 18.8	\$ 9.3	\$ 7.1	\$ 130.6
Net Operating Income	\$ 105.4	\$ 13.5	\$ 28.7	\$ 14.1	\$ 161.6	\$ 131.7	\$ 5.2	\$ 27.1	\$ 11.9	\$ 175.9
Net operating income margin	40.8 %	39.9 %	75.1 %	59.2 %	45.7 %	57.8 %	21.7 %	73.8 %	62.6 %	57.2 %

United States

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 253.8	\$ 218.2	\$ 35.6	16.3 %
Credit card revenue	1.4	1.3	0.1	7.7 %
Servicing revenue	3.0	8.3	(5.3)	(63.9)%
Total Revenue	\$ 258.2	\$ 227.8	\$ 30.4	13.3 %
Provision for credit losses	\$ 1.0	\$ 0.7	\$ 0.3	42.9 %
Operating Expenses				
Salaries and benefits	\$ 32.3	\$ 9.6	\$ 22.7	236.5 %
Servicing expenses	107.7	65.9	41.8	63.4 %
Depreciation and amortization	1.1	2.2	(1.1)	(50.0)%
Professional fees	4.1	10.4	(6.3)	(60.6)%
Other selling, general and administrative	6.6	7.3	(0.7)	(9.6)%
Total Operating Expenses	\$ 151.8	\$ 95.4	\$ 56.4	59.1 %
Net Operating Income	\$ 105.4	\$ 131.7	\$ (26.3)	(20.0)%
Net operating income margin	40.8 %	57.8 %		

Portfolio revenue increased \$35.6 million or 16.3% in the six months ended June 30, 2026 compared to June 30, 2025, primarily due to growth in deployments, including the Bluestem portfolio purchase which contributed \$26.3 million.

Servicing revenue decreased \$5.3 million or 63.9% in the six months ended June 30, 2026, primarily due to the Conn's Portfolio Purchase, which contributed \$1.8 million of total servicing revenue in the three months ended June 30, 2026 compared with \$6.8 million for the six months ended June 30, 2025.

Salaries and benefits were \$32.3 million for the six months ended June 30, 2026 which is an increase of \$22.7 million, or 236.5%, compared to \$9.6 million for the six months ended June 30, 2025. The increase is due to the increase in personnel expense related to stock-based compensation of \$16.9 million which primarily reflects the amortization of grant-date fair value of restricted stock awards granted in connection with the IPO in June 2025 as well as the reversal of stock-based compensation accrual of \$8.3 million for outstanding Class B units, higher salary and benefits expense partially offset by reductions in personnel and benefit costs related to the Conn's portfolio purchase due to 72 less FTE for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Servicing expenses were \$107.7 million for the six months ended June 30, 2026, an increase of \$41.8 million, or 63.4%, compared to \$65.9 million for the six months ended June 30, 2025. The increase in servicing expenses was primarily driven by increased collections, court costs which are incurred upfront at the outset of consumer litigation in anticipation of generating future collections and \$11.3 million from the Bluestem portfolio acquisition.

Professional fees were \$4.1 million for the six months ended June 30, 2026, a decrease of \$6.3 million, or 60.6%, compared to \$10.4 million for the six months ended June 30, 2025. The decrease was primarily due to one-time legal and professional fees incurred as part of the initial public offering in June 2025.

Other selling, general and administrative expenses generally consist of rent expense, travel and entertainment expenses, and other general overhead expenses. These expenses totaled \$6.6 million for the six months ended June 30, 2026, a decrease of \$0.7 million or 9.6%, compared to \$7.3 million for the six months ended June 30, 2025. The decrease is primarily due to lower rent expense related to the Conn's portfolio purchase and various other expense reductions.

Overall net operating income decreased \$26.3 million or 20.0% in the six months ended June 30, 2026 than the six months ended June 30, 2025 primarily due to lower net operating income of \$32.4 million from the Conn's portfolio purchase compared to the six months ended June 30, 2025, partially offset by \$15.0 million in net operating income from the Bluestem portfolio with no net operating income from the Bluestem portfolio purchase in the six months ended June 30, 2025. Net operating income as a percentage of total revenues was 40.8% in the six months ended June 30, 2026 compared to 57.8% for the six months ended June 30, 2025.

United Kingdom

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 17.1	\$ 11.9	\$ 5.2	43.7 %
Servicing revenue	16.7	12.1	4.6	38.0 %
Total Revenue	\$ 33.8	\$ 24.0	\$ 9.8	40.8 %
Operating Expenses				
Salaries and benefits	\$ 8.7	\$ 7.8	\$ 0.9	11.5 %
Servicing expenses	9.6	9.1	0.5	5.5 %
Depreciation and amortization	0.2	0.2	—	— %
Professional fees	0.4	0.5	(0.1)	%
Other selling, general and administrative	1.4	1.2	0.2	16.7 %
Total Operating Expenses	\$ 20.3	\$ 18.8	\$ 1.5	8.0 %
Net Operating Income	\$ 13.5	\$ 5.2	\$ 8.3	159.6 %
Net operating income margin	39.9 %	21.7 %		

Portfolio revenue increased \$5.2 million or 43.7% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to higher deployments in the United Kingdom.

Servicing revenue increased \$4.6 million or 38.0% in the six months ended June 30, 2026 compared to June 30, 2025 due to increased third party servicing.

Salaries and benefits increased \$0.9 million or 11.5% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to higher salary and employee benefit costs.

Servicing expenses increased \$0.5 million or 5.5% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to higher deployments.

Overall net operating income increased \$8.3 million or 159.6% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to higher deployments. Net operating income as a percentage of total revenues was 39.9% in the six months ended June 30, 2026 compared to 21.7% for the six months ended June 30, 2025.

Canada

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 35.3	\$ 33.7	\$ 1.6	4.7 %
Credit card revenue	1.9	2.4	(0.5)	(20.8)%
Servicing revenue	1.0	0.7	0.3	42.9 %
Total Revenue	\$ 38.2	\$ 36.8	\$ 1.4	3.8 %
Provision for credit losses	\$ 0.3	\$ 0.4	\$ (0.1)	(25.0)%
Operating Expenses				
Salaries and benefits	\$ 2.7	\$ 2.7	\$ —	0.0 %
Servicing expenses	5.1	5.1	—	0.0 %
Depreciation and amortization	0.4	0.5	(0.1)	(20.0)%
Professional fees	0.2	0.3	(0.1)	(33.3)%
Other selling, general and administrative	0.8	0.7	0.1	14.3 %
Total Operating Expenses	\$ 9.2	\$ 9.3	\$ (0.1)	(1.1)%
Net Operating Income	\$ 28.7	\$ 27.1	\$ 1.6	5.9 %
Net operating income margin	75.1 %	73.6 %		

Portfolio revenue increased \$1.6 million or 4.7% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to strong collection performance.

Credit card revenue decreased \$0.5 million or 20.8% in the six months ended June 30, 2026 compared to June 30, 2025 due to the portfolio continuing to attrit with no new originations since August 2024 due to regulatory changes.

Servicing revenue increased \$0.3 million or 42.9% in the six months ended June 30, 2026 compared to June 30, 2025 due to continued organic growth.

Overall net operating income increased \$1.6 million or 5.9% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to strong collection performance. Net operating income as a percentage of total revenues was 75.1% in the six months ended June 30, 2026 compared to 73.6% for the six months ended June 30, 2025.

Latin America

(in Millions)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Portfolio revenue	\$ 23.8	\$ 19.0	\$ 4.8	25.3 %
Total Revenue	\$ 23.8	\$ 19.0	\$ 4.8	25.3 %
Operating Expenses				
Salaries and benefits	\$ 0.6	\$ 0.2	\$ 0.4	200.0 %
Servicing expenses	8.0	6.2	1.8	29.0 %
Depreciation and amortization	—	—	—	0.0 %
Professional fees	0.6	0.4	0.2	50.00 %
Other selling, general and administrative	0.5	0.3	0.2	66.7 %
Total Operating Expenses	\$ 9.7	\$ 7.1	\$ 2.6	36.6 %
Net Operating Income	\$ 14.1	\$ 11.9	\$ 2.2	18.5 %
Net operating income margin	59.2 %	62.6 %		

Portfolio revenue increased \$4.8 million or 25.3% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to increased deployments and strong collection performance.

Salaries and benefits increased \$0.4 million or 200.0% in the six months ended June 30, 2026 compared to June 30, 2025 primarily due to an FTE increase of 16 in March 2026.

Servicing expense increased \$1.8 million or 29.0% in the six months ended June 30, 2026 compared to June 30, 2025 due to increased collections and deployments.

Overall net operating income increased \$2.2 million or 18.5% in the six months ended June 30, 2026 compared to June 30, 2025 due to strong collection performance and increased deployments. Net operating income as a percentage of total revenues was 59.2% in the six months ended June 30, 2026 compared to 62.6% for the six months ended June 30, 2025.

Supplemental Performance Data as of June 30, 2026

Investments in Receivables Portfolio Performance.

The accounts represented in the Insolvency category in the tables below are those portfolios of accounts that were in an insolvency status at the time of purchase. This contrasts with accounts in our Distressed portfolios that file for bankruptcy/insolvency protection after we purchase them, which continue to be tracked in their corresponding Distressed portfolio. Distressed customers sometimes file for bankruptcy/insolvency protection subsequent to our purchase of the related Distressed portfolio. When this occurs, we adjust our collection practices to comply with bankruptcy/insolvency rules and procedures; however, for accounting purposes, these accounts remain in the original Distressed portfolio. Insolvency accounts may be dismissed voluntarily or involuntarily subsequent to our purchase of the Insolvency portfolio. Dismissal occurs when the terms of the bankruptcy are not met by the petitioner. When this occurs, we are typically free to pursue collection outside of bankruptcy procedures; however, for accounting purposes, these accounts remain in the original Insolvency pool.

Purchase price multiples can vary over time due to a variety of factors, including pricing competition, supply levels, age of the receivables acquired, and changes in our operational efficiency. For example, increased pricing competition during the 2005 to 2008 period negatively impacted purchase price multiples of our Distressed portfolio compared to prior years. Conversely, during the 2009 to 2011 period, additional supply occurred as a result of the 2008 recession, which resulted in an economic downturn. This created unique and advantageous purchasing opportunities, particularly within the Insolvency market, relative to the prior four years. Purchase price multiples can also vary among types of receivables. For example, we generally incur lower collection costs on our Insolvency portfolio compared with our Distressed portfolio. This allows us, in general, to pay more for an Insolvency portfolio and experience lower purchase price multiples, while generating similar net returns when compared with a Distressed portfolio.

When competition increases and/or supply decreases, pricing often becomes negatively impacted relative to expected collections, and yields tend to trend lower. The opposite tends to occur when competition decreases and/or supply increases.

Within a given portfolio type, to the extent that lower purchase price multiples are the result of more competitive pricing and lower net yields, this will generally lead to lower profitability. As portfolio pricing becomes more favorable on a relative basis, our profitability will tend to increase. Profitability within given Distressed portfolio types may also be impacted by the age and quality of the receivables, which impact the cost-to-collect on those accounts. Fresher accounts, for example, typically carry lower associated collection expenses, while older accounts and lower balance accounts typically carry higher costs and, as a result, require higher purchase price multiples to achieve the same net profitability as fresher paper.

We acquire portfolios and record them at the price paid at the time of acquisition. Beginning in 2022, with the adoption of CECL, we aggregate the acquired pools during the year such that during the year the blended effective interest rate will change to reflect new buying and additional cash flow estimates until the end of the respective year. Once the year is completed, the effective interest rate is fixed at the amount we expect to collect discounted at the rate to equate purchase price to the recovery estimate. During the first year of purchase, we typically allow pools to season before making any material adjustments to the estimated remaining collections (“ERC”s). Subsequent to the initial year, as we establish collection experience and confidence with a pool of accounts, we evaluate whether to update the annually aggregated ERC. These processes could cause the ratio of ERC to purchase price for any given year of buying to gradually change over time.

The numbers presented in the following tables represent collections and do not reflect any costs to collect; therefore, they may not represent relative profitability. Due to all the factors described above, investors should be cautious when making comparisons of purchase price multiples among periods and between types of receivables.

The following tables show certain data related to our investment in receivables portfolios.

PURCHASE PRICE MULTIPLES AS OF JUNE 30, 2026 Excludes Resale as Noted at Bottom (in millions)

	<u>Purchase Price ⁽¹⁾⁽²⁾</u>	<u>Life-to-Date Collections ⁽³⁾</u>	<u>Total ERC ⁽⁴⁾</u>	<u>Grand Total</u>	<u>Current Collection Multiple</u>	<u>Original Collection Multiple ⁽⁵⁾</u>
<u>US Distressed</u>						
2003-2017 ⁽⁶⁾	\$ 395.2	\$ 1,189.3	\$ 35.0	\$ 1,224.3	3.10 x	2.29 x
2018	76.2	212.7	20.7	233.4	3.06 x	2.70 x
2019	94.8	273.2	14.2	287.4	3.03 x	2.29 x
2020	74.1	183.7	29.4	213.1	2.88 x	2.20 x
Vintage 2021	73.1	121.2	29.1	150.3	2.06 x	1.97 x
2022	142.1	178.8	96.5	275.4	1.94 x	2.00 x
2023	337.6	414.0	339.0	753.0	2.23 x	2.11 x
2024	481.5	578.7	477.0	1,055.6	2.19 x	1.98 x
2025	520.6	287.4	802.6	1,090.0	2.09 x	2.05 x
2026	133.2	11.8	293.9	305.7	2.29 x	2.29 x
Total	<u>\$ 2,328.5</u>	<u>\$ 3,450.7</u>	<u>\$ 2,137.4</u>	<u>\$ 5,588.1</u>		
<u>US Insolvency</u>						
2003-2017 ⁽⁶⁾	\$ 285.4	\$ 428.7	\$ 0.6	\$ 429.3	1.50 x	1.66 x
2018	86.7	107.0	0.6	107.7	1.24 x	1.30 x
2019	62.2	84.8	1.9	86.8	1.39 x	1.31 x
2020	30.1	43.3	3.6	46.9	1.56 x	1.40 x
Vintage 2021	23.7	31.7	4.8	36.5	1.54 x	1.25 x
2022	40.7	45.7	6.1	51.7	1.27 x	1.30 x
2023	66.7	63.6	27.6	91.2	1.37 x	1.34 x
2024	71.1	42.8	53.1	95.9	1.35 x	1.39 x
2025	104.3	25.8	120.1	145.9	1.40 x	1.38 x
2026	47.9	1.0	66.7	67.7	1.41 x	1.41 x
Total	<u>\$ 818.9</u>	<u>\$ 874.5</u>	<u>\$ 285.1</u>	<u>\$ 1,159.6</u>		
<u>UK Distressed & Insolvency</u>						
2009-2017	\$ 23.7	\$ 65.7	\$ 2.6	\$ 68.3	2.88 x	1.94 x
2018	3.1	12.4	3.4	15.8	5.12 x	2.20 x
2019	7.1	18.7	3.7	22.4	3.15 x	1.91 x
2020	13.1	28.4	6.7	35.1	2.67 x	1.74 x
Vintage 2021	19.4	28.9	8.9	37.8	1.95 x	1.67 x
2022	18.9	31.0	15.9	46.8	2.48 x	2.22 x
2023	26.7	36.4	30.3	66.7	2.50 x	2.08 x
2024	29.4	22.7	33.2	56.0	1.91 x	1.70 x
2025	32.0	8.2	61.6	69.8	2.18 x	2.14 x
2026	16.4	1.5	30.9	32.4	1.98 x	1.98 x
Total	<u>\$ 189.8</u>	<u>\$ 253.9</u>	<u>\$ 197.2</u>	<u>\$ 451.1</u>		

(in Millions)	<i>Purchase Price</i> ⁽¹⁾⁽²⁾	<i>Life-to-Date Collections</i> ⁽³⁾	<i>Total ERC</i> ⁽⁴⁾	<i>Grand Total</i>	<i>Current Collection Multiple</i>	<i>Original Collection Multiple</i> ⁽⁵⁾
<u>Canada Insolvency</u> ⁽⁷⁾						
2008-2017	\$ 121.1	\$ 236.1	\$ 0.2	\$ 236.3	1.95 x	1.64 x
2018	40.9	85.6	0.5	86.1	2.10 x	1.80 x
2019	34.7	68.9	0.9	69.7	2.01 x	1.72 x
2020	29.3	53.3	0.9	54.3	1.85 x	1.60 x
Vintage 2021	23.7	39.3	2.3	41.6	1.75 x	1.62 x
2022	18.5	24.1	4.5	28.6	1.55 x	1.47 x
2023	38.8	39.1	18.6	57.7	1.49 x	1.35 x
2024	61.9	39.5	54.4	93.9	1.52 x	1.38 x
2025	115.0	35.2	132.7	167.9	1.46 x	1.47 x
2026	54.6	1.5	80.3	81.8	1.50 x	1.50 x
Total	<u>\$ 538.5</u>	<u>\$ 622.7</u>	<u>\$ 295.2</u>	<u>\$ 917.9</u>		
<u>Canada Distressed</u> ⁽¹⁾						
2008-2017	\$ 80.7	\$ 178.6	\$ 5.9	\$ 184.5	2.29 x	1.91 x
2018	14.6	61.3	6.5	67.8	4.63 x	2.52 x
2019	12.8	41.4	2.8	44.2	3.45 x	2.19 x
2020	19.7	41.5	5.8	47.3	2.40 x	2.06 x
Vintage 2021	9.2	14.7	3.6	18.3	1.99 x	1.79 x
2022	24.3	25.4	10.6	36.0	1.48 x	1.69 x
2023	18.4	17.6	14.8	32.3	1.76 x	1.61 x
2024	33.5	33.9	27.6	61.5	1.84 x	1.83 x
2025	26.6	15.6	30.5	46.1	1.73 x	1.80 x
2026	13.3	2.8	17.3	20.1	1.51 x	1.51 x
Total	<u>\$ 253.0</u>	<u>\$ 432.7</u>	<u>\$ 125.3</u>	<u>\$ 558.1</u>		
<u>Latin America Distressed</u>						
2021	\$ 7.9	\$ 12.2	\$ 7.0	\$ 19.2	2.43 x	1.58 x
2022	25.0	41.3	31.1	72.4	2.90 x	2.67 x
Vintage 2023	42.3	53.4	53.2	106.6	2.52 x	2.39 x
2024	45.8	41.1	91.6	132.8	2.90 x	2.35 x
2025	33.6	20.4	72.3	92.7	2.76 x	2.43 x
2026	36.5	2.9	68.8	71.8	1.96 x	1.96 x
Total	<u>\$ 191.2</u>	<u>\$ 171.4</u>	<u>\$ 324.0</u>	<u>\$ 495.4</u>		

(in Millions)	<i>Purchase Price</i> ⁽¹⁾⁽²⁾	<i>Life-to-Date Collections</i> ⁽³⁾	<i>Total ERC</i> ⁽⁴⁾	<i>Grand Total</i>	<i>Current Collection Multiple</i>	<i>Original Collection Multiple</i> ⁽⁵⁾
Total						
2003-2017 ⁽⁶⁾	\$ 906.0	\$ 2,098.5	\$ 44.2	\$ 2,142.7	2.36 x	1.96 x
2018	221.6	479.1	31.7	510.8	2.30 x	1.97 x
2019	211.6	487.0	23.5	510.4	2.41 x	1.89 x
2020	166.3	350.2	46.3	396.6	2.38 x	1.90 x
Vintage 2021	156.9	248.0	55.7	303.7	1.94 x	1.74 x
2022	269.5	346.2	164.7	510.9	1.90 x	1.91 x
2023	530.5	624.1	483.4	1,107.5	2.09 x	1.96 x
2024	723.3	758.8	737.0	1,495.8	2.07 x	1.88 x
2025	832.1	392.6	1,219.7	1,612.4	1.94 x	1.90 x
2026	301.9	21.4	558.1	579.5	1.92 x	1.92 x
Total	\$ 4,319.9	\$ 5,805.9	\$ 3,364.2	\$ 9,170.2		

⁽¹⁾ Includes the portfolios that were acquired through our business acquisitions from the date of acquisition.

⁽²⁾ For our non-U.S. amounts, purchase price is presented at the exchange rate on the date the pool was purchased.

⁽³⁾ For our non-U.S. amounts, historical period exchange rates are presented at the respective exchange rate for each collection period.

⁽⁴⁾ For our non-U.S. amounts, Total ERC is presented at the exchange rate as of June 30, 2026.

⁽⁵⁾ The original estimated purchase price multiple represents the purchase price multiple at the end of the year of acquisition.

⁽⁶⁾ This vintage data excludes forward flow purchases that were resold between 2005 and 2008 shortly after purchase and does not reflect typical collection multiples as there is no cost-to-collect for accounts that were resold.

⁽⁷⁾ Adjusted to include historical information from Canaccede Financial Group and its predecessor businesses.

The following table illustrates collections from purchased receivables, total portfolio revenue for the six months ended June 30, 2026 and investment in receivables, net as of June 30, 2026 and monthly EIR, by year of purchase:

RECEIVABLE PORTFOLIO FINANCIAL INFORMATION, BY YEAR OF PURCHASE⁽¹⁾ (in millions)

	Three Months Ended June 30, 2026			As of June 30, 2026		
	Collections	Portfolio Income	Changes in Recoveries	Total Portfolio Revenue	Investments in Receivables, Net	Monthly EIR
US Distressed						
ZBA ⁽¹⁾	\$ 0.3	\$ 0.3	\$ —	\$ 0.3	\$ —	0.0 %
2004 - 2020	10.1	7.6	(2.6)	5.0	34.3	6.8 %
2021	2.0	1.6	(1.4)	0.2	16.2	3.2 %
2022	8.0	4.6	(2.9)	1.7	62.6	2.3 %
2023	33.9	16.6	(8.9)	7.7	206.3	2.5 %
2024	60.3	29.2	9.5	38.7	265.1	3.4 %
2025	90.7	40.1	14.5	54.6	436.6	2.8 %
2026	9.4	9.1	3.6	12.7	139.8	2.8 %
Subtotal	\$ 214.7	\$ 109.1	\$ 11.8	\$ 120.9	\$ 1,160.8	
US Insolvency						
2004 - 2020	0.5	0.2	(1.9)	(1.7)	5.3	1.5 %
2021	0.4	0.2	(0.5)	(0.3)	3.6	1.6 %
2022	1.5	0.2	(0.2)	—	5.4	1.3 %
2023	4.1	0.9	(0.9)	—	23.9	1.2 %
2024	5.6	1.7	(0.1)	1.6	43.3	1.2 %
2025	7.8	3.2	1.5	4.7	94.4	1.1 %
2026	0.8	1.4	—	1.4	48.9	1.0 %
Subtotal	\$ 20.7	\$ 7.8	\$ (2.1)	\$ 5.7	\$ 224.8	
UK Distressed & Insolvency						
2004 - 2020	\$ 1.2	\$ 1.0	\$ (0.4)	\$ 0.6	\$ 5.7	5.1 %
2021	0.8	0.6	(0.3)	0.3	5.7	3.0 %
2022	1.2	1.1	(0.6)	0.5	9.2	3.6 %
2023	2.2	1.9	(1.3)	0.6	18.2	3.4 %
2024	2.3	1.6	(0.8)	0.8	21.9	2.3 %
2025	3.1	2.8	0.7	3.5	33.5	2.8 %
2026	1.4	1.2	0.2	1.4	16.5	3.0 %
Subtotal	\$ 12.2	\$ 10.2	\$ (2.5)	\$ 7.7	\$ 110.8	
Canada Distressed						
ZBA ⁽²⁾	\$ 0.6	\$ 0.3	\$ —	\$ 0.3	\$ —	0.0 %
2020	0.8	1.2	(0.4)	0.8	3.0	
2021	0.3	0.3	(0.1)	0.2	1.6	4.3 %
2022	0.6	0.5	(0.2)	0.3	6.1	2.8 %
2023	0.8	0.7	(0.3)	0.4	9.2	2.6 %
2024	1.9	1.4	(0.2)	1.2	16.9	2.6 %
2025	3.2	1.4	0.1	1.5	17.7	2.3 %
2026	2.0	0.6	(0.3)	0.3	10.9	2.1 %
Subtotal	\$ 10.2	\$ 6.4	\$ (1.4)	\$ 5.0	\$ 65.5	
Canada Insolvency						
ZBA	\$ 0.1	\$ 0.1	\$ —	\$ 0.1	\$ —	0.0 %
2020	0.3	0.2	(0.3)	(0.1)	1.6	
2021	1.1	0.2	0.2	0.4	1.9	1.9 %
2022	1.4	0.2	0.4	0.6	3.9	1.5 %
2023	4.0	0.6	0.8	1.4	15.9	1.2 %
2024	7.5	1.7	1.0	2.7	45.0	1.2 %
2025	9.8	3.8	3.1	6.9	103.1	1.2 %
2026	0.9	1.8	0.3	2.1	54.7	1.3 %
Subtotal	\$ 25.1	\$ 8.6	\$ 5.5	\$ 14.1	\$ 226.2	
Latin America						
2021	0.3	0.3	(0.1)	0.2	3.9	2.9 %
2022	1.9	1.9	(0.3)	1.6	11.3	
2023	3.2	2.8	(3.9)	(1.1)	28.7	3.3 %
2024	4.6	4.2	0.5	4.7	44.9	2.9 %
2025	5.3	3.0	1.6	4.6	32.7	3.1 %
2026	2.7	2.0	(0.1)	1.9	37.2	2.6 %
Subtotal	\$ 18.0	\$ 14.2	\$ (2.3)	\$ 11.9	\$ 158.7	
Grand Total	\$ 300.9	\$ 156.3	\$ 9.0	\$ 165.3	\$ 1,946.8	

	Six Months Ended June 30, 2026				As of	
	Collections	Portfolio Income	Changes in Recoveries	Total Portfolio Revenue	June 30, 2026 Investments in Receivables, Net	Monthly EIR
US Distressed						
ZBA ⁽¹⁾	\$ 0.7	\$ 0.7	\$ —	\$ 0.6	\$ —	0.0 %
2004 - 2020	19.4	16.4	(8.4)	8.0	34.3	6.8 %
2021	4.1	3.5	(5.3)	(1.8)	16.2	3.2 %
2022	16.6	9.6	(6.5)	3.1	62.6	2.3 %
2023	69.1	35.0	(14.4)	20.6	206.3	2.5 %
2024	127.5	60.1	18.3	78.4	265.1	3.4 %
2025	197.5	83.8	31.4	115.2	436.6	2.8 %
2026	11.7	12.7	5.5	18.2	139.8	2.8 %
Subtotal	\$ 446.6	\$ 221.8	\$ 20.6	\$ 242.3	\$ 1,160.8	
US Insolvency						
2004 - 2020	\$ 1.0	\$ 0.6	\$ (3.5)	\$ (2.9)	\$ 5.3	1.5 %
2021	0.6	0.4	(0.4)	—	3.6	1.6 %
2022	3.2	0.5	(0.5)	—	5.4	1.3 %
2023	8.1	2.0	(1.4)	0.6	23.9	1.2 %
2024	10.9	3.5	(0.2)	3.3	43.3	1.2 %
2025	14.5	6.5	2.0	8.5	94.4	1.1 %
2026	1.0	1.9	0.1	2.0	48.9	1.0 %
Subtotal	\$ 39.3	\$ 15.4	\$ (3.9)	\$ 11.5	\$ 224.8	
UK Distressed & Insolvency						
2004 - 2020	\$ 2.2	\$ 2.0	\$ (0.5)	\$ 1.5	\$ 5.7	5.1 %
2021	1.8	1.2	(0.3)	0.9	5.7	3.0 %
2022	2.6	2.2	(0.9)	1.3	9.2	3.6 %
2023	4.7	4.0	(1.5)	2.5	18.2	3.4 %
2024	4.8	3.3	(0.8)	2.5	21.9	2.3 %
2025	5.4	5.6	0.9	6.5	33.5	2.8 %
2026	1.5	1.7	0.2	1.9	16.5	3.0 %
Subtotal	\$ 23.0	\$ 20.0	\$ (2.9)	\$ 17.1	\$ 110.8	
Canada Distressed						
ZBA ⁽²⁾	\$ 0.8	\$ 0.8	\$ —	\$ 0.8	\$ —	0.0 %
2020	1.8	2.5	(0.6)	1.9	3.0	12.7 %
2021	0.6	0.5	—	0.5	1.6	4.3 %
2022	1.2	1.1	(0.3)	0.8	6.1	2.8 %
2023	1.6	1.5	(0.7)	0.8	9.2	2.6 %
2024	4.1	2.9	(1.4)	1.5	16.9	2.6 %
2025	7.1	2.9	(0.2)	2.7	17.7	2.3 %
2026	2.8	0.9	(0.2)	0.7	10.9	2.1 %
Subtotal	\$ 20.0	\$ 13.1	\$ (3.4)	\$ 9.7	\$ 65.5	
Canada Insolvency						
ZBA	\$ 0.1	\$ 0.1	\$ —	\$ 0.1	\$ —	0.0 %
2020	0.9	0.5	(0.7)	(0.2)	1.6	3.4 %
2021	2.5	0.4	0.5	0.9	1.9	1.9 %
2022	2.9	0.5	0.6	1.1	3.9	1.5 %
2023	7.9	1.4	1.2	2.6	15.9	1.2 %
2024	14.5	3.6	2.9	6.5	45.0	1.2 %
2025	17.3	7.6	3.8	11.4	103.1	1.2 %
2026	1.5	2.6	0.6	3.2	54.7	1.3 %
Subtotal	\$ 47.6	\$ 16.7	\$ 8.9	\$ 25.6	\$ 226.2	
Latin America Distressed						
2021	\$ 0.7	\$ 0.7	\$ (0.4)	\$ 0.3	\$ 3.9	2.9 %
2022	3.8	3.9	(0.4)	3.5	11.3	5.8 %
2023	6.0	5.9	(5.2)	0.7	28.7	3.3 %
2024	10.0	7.8	0.9	8.7	44.9	2.9 %
2025	10.9	6.1	2.0	8.1	32.7	3.1 %
2026	2.9	2.5	(0.1)	2.4	37.2	2.6 %
Subtotal	\$ 34.3	\$ 26.9	\$ (3.2)	\$ 23.7	\$ 158.7	
Grand Total	\$ 610.8	\$ 313.9	\$ 16.1	\$ 329.9	\$ 1,946.8	

Note: Not adjusted to include historical information from Canaccede Financial Group and its predecessor businesses. Results of Canaccede Financial Group and its predecessor businesses for deployments from prior to the date of our acquisition are consolidated in the 2020 vintage year.

(1) Refers to revenue from zero basis accounts.

The following table illustrates historical collections, by year, on our portfolios.

**COLLECTIONS, BY YEAR, BY YEAR OF PURCHASE Excludes Resale as Noted at Bottom
(in millions)**

		Collections										
(in Millions)	Purchase Price (2)	2003 -										
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
US Distressed												
2003-2017(3)(4)	\$ 395.2	\$ 776.3	\$ 97.2	\$ 79.0	\$ 69.5	\$ 57.5	\$ 37.7	\$ 26.6	\$ 21.3	\$ 16.4	\$ 7.7	\$ 1,189.3
2018	76.2	—	21.6	45.9	45.4	41.0	24.7	14.2	10.3	6.6	2.9	212.7
2019	94.8	—	—	26.8	74.8	62.3	44.5	28.6	18.3	12.9	5.0	273.2
2020	74.1	—	—	—	26.5	60.9	37.2	26.0	18.2	11.0	3.9	183.7
Vintage2021	73.1	—	—	—	—	23.1	37.8	24.8	18.3	12.9	4.1	121.2
2022	142.1	—	—	—	—	—	16.5	55.1	49.6	41.0	16.6	178.8
2023	337.6	—	—	—	—	—	—	48.4	147.7	148.7	69.1	414.0
2024	481.5	—	—	—	—	—	—	—	73.3	377.8	127.5	578.7
2025	520.6	—	—	—	—	—	—	—	—	89.7	197.7	287.4
2026	133.2	—	—	—	—	—	—	—	—	—	11.8	11.8
Total	\$ 2,328.5	\$ 776.3	\$ 118.9	\$ 151.7	\$ 216.2	\$ 244.8	\$ 198.4	\$ 223.9	\$ 357.1	\$ 717.0	\$ 446.5	\$ 3,450.7
US Insolvency												
2003-2017(4)	\$ 285.4	\$ 333.1	\$ 39.4	\$ 26.0	\$ 14.8	\$ 9.0	\$ 3.6	\$ 1.3	\$ 0.7	\$ 0.5	\$ 0.2	\$ 428.7
2018	86.7	—	16.0	34.9	23.8	17.1	9.7	3.6	1.1	0.5	0.2	107.0
2019	62.2	—	—	7.0	23.2	19.8	16.2	11.0	6.1	1.2	0.3	84.8
2020	30.1	—	—	—	3.5	10.5	10.8	9.0	6.7	2.5	0.3	43.3
Vintage2021	23.7	—	—	—	—	8.9	10.1	6.3	3.5	2.2	0.6	31.7
2022	40.7	—	—	—	—	—	5.4	16.4	11.8	8.8	3.2	45.7
2023	66.7	—	—	—	—	—	—	12.7	23.2	19.6	8.1	63.6
2024	71.1	—	—	—	—	—	—	—	9.6	22.3	10.9	42.8
2025	104.3	—	—	—	—	—	—	—	—	11.3	14.5	25.8
2026	47.9	—	—	—	—	—	—	—	—	—	1.0	1.0
Total	\$ 818.9	\$ 333.1	\$ 55.4	\$ 67.9	\$ 65.3	\$ 65.4	\$ 55.8	\$ 60.3	\$ 62.8	\$ 68.9	\$ 39.4	\$ 874.5
UK Distressed & Insolvency												
2009-2017	\$ 23.7	\$ 46.7	\$ 4.0	\$ 3.3	\$ 2.7	\$ 2.9	\$ 1.9	\$ 1.6	\$ 1.3	\$ 1.0	\$ 0.4	\$ 65.7
2018	3.1	—	0.3	1.9	2.0	2.4	1.7	1.5	1.2	1.0	0.4	12.4
2019	7.1	—	—	0.8	4.7	5.1	3.0	2.1	1.4	1.1	0.5	18.7
2020	13.1	—	—	—	4.2	10.0	5.1	3.3	2.4	2.4	0.9	28.4
Vintage2021	19.4	—	—	—	—	4.6	7.0	6.6	4.4	4.6	1.8	28.9
2022	18.9	—	—	—	—	—	2.6	10.9	8.2	6.7	2.6	31.0
2023	26.7	—	—	—	—	—	—	6.2	13.4	12.1	4.7	36.4
2024	29.4	—	—	—	—	—	—	—	7.1	10.8	4.8	22.7
2025	32.0	—	—	—	—	—	—	—	—	2.8	5.4	8.2
2026	16.4	—	—	—	—	—	—	—	—	—	1.5	1.5
Total	\$ 189.8	\$ 46.7	\$ 4.2	\$ 5.9	\$ 13.7	\$ 24.9	\$ 21.3	\$ 32.3	\$ 39.4	\$ 42.5	\$ 23.0	\$ 253.9

Collections												
	Purchase Price ⁽¹⁾⁽²⁾	2004 - 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
CAD Insolvency⁽⁵⁾												
2008-2017	\$ 121.1	\$ 126.7	\$ 38.2	\$ 31.6	\$ 22.2	\$ 11.7	\$ 3.6	\$ 0.9	\$ 0.6	\$ 0.5	\$ 0.2	\$ 236.1
2018	40.9	—	6.4	16.9	21.2	19.3	13.5	6.4	1.2	0.6	0.1	85.6
2019	34.7	—	—	3.4	12.6	18.7	15.2	11.2	6.2	1.3	0.3	68.9
2020	29.3	—	—	—	3.4	11.7	13.8	11.2	8.0	4.9	0.5	53.3
Vintage 2021	23.7	—	—	—	—	3.1	8.5	10.1	8.3	6.7	2.5	39.3
2022	18.5	—	—	—	—	—	1.5	5.9	6.9	6.9	2.9	24.1
2023	38.8	—	—	—	—	—	—	3.0	11.0	17.1	7.9	39.1
2024	61.9	—	—	—	—	—	—	—	4.8	20.3	14.5	39.5
2025	115.0	—	—	—	—	—	—	—	—	18.0	17.3	35.2
2026	54.6	—	—	—	—	—	—	—	—	—	1.5	1.5
Total	\$ 538.5	\$ 126.7	\$ 44.6	\$ 51.9	\$ 59.5	\$ 64.6	\$ 56.0	\$ 48.5	\$ 46.8	\$ 76.4	\$ 47.6	\$ 622.7
CAD Distressed⁽⁵⁾												
2008-2017	\$ 80.7	\$ 94.4	\$ 22.9	\$ 17.3	\$ 13.3	\$ 11.4	\$ 8.3	\$ 5.1	\$ 2.9	\$ 2.2	\$ 1.0	\$ 178.6
2018	14.6	—	6.5	16.2	11.0	9.4	7.1	4.8	3.1	2.5	0.8	61.3
2019	12.8	—	—	13.4	10.7	8.1	4.6	2.4	1.2	0.9	0.2	41.4
2020	19.7	—	—	—	10.7	12.7	7.7	4.7	3.1	1.9	0.6	41.5
Vintage 2021	9.2	—	—	—	—	4.4	4.3	2.3	1.9	1.3	0.6	14.7
2022	24.3	—	—	—	—	—	7.3	8.1	4.6	4.2	1.2	25.4
2023	18.4	—	—	—	—	—	—	5.7	6.3	4.0	1.6	17.6
2024	33.5	—	—	—	—	—	—	—	15.6	14.2	4.1	33.9
2025	26.6	—	—	—	—	—	—	—	—	8.5	7.1	15.6
2026	13.3	—	—	—	—	—	—	—	—	—	2.8	2.8
Total	\$ 253.0	\$ 94.4	\$ 29.4	\$ 46.8	\$ 45.6	\$ 45.9	\$ 39.2	\$ 33.2	\$ 38.6	\$ 39.6	\$ 19.9	\$ 432.7
LatAm Distressed												
2021	\$ 7.9	\$ —	\$ —	\$ —	\$ —	\$ 0.8	\$ 5.2	\$ 2.3	\$ 1.7	\$ 1.5	\$ 0.6	\$ 12.2
2022	25.0	—	—	—	—	—	6.0	14.4	9.2	8.0	3.8	41.3
2023	42.3	—	—	—	—	—	—	15.4	17.7	14.3	6.0	53.4
Vintage 2024	45.8	—	—	—	—	—	—	—	10.3	20.8	10.0	41.1
2025	33.6	—	—	—	—	—	—	—	—	9.5	10.9	20.4
2026	36.5	—	—	—	—	—	—	—	—	—	2.9	2.9
Total	\$ 191.2	\$ —	\$ —	\$ —	\$ —	\$ 0.8	\$ 11.2	\$ 32.0	\$ 39.0	\$ 54.1	\$ 34.3	\$ 171.4
Total												
2003-2017 ⁽⁴⁾	\$ 906.0	\$ 1,377.2	\$ 201.8	\$ 157.1	\$ 122.6	\$ 92.5	\$ 55.1	\$ 35.5	\$ 26.7	\$ 20.6	\$ 9.4	\$ 2,098.5
2018	221.6	—	50.8	115.8	103.5	89.1	56.7	30.6	16.9	11.3	4.4	479.1
2019	211.6	—	—	51.3	126.0	114.0	83.4	55.3	33.3	17.4	6.3	487.0
2020	166.3	—	—	—	48.3	105.8	74.6	54.2	38.4	22.7	6.3	350.2
Vintage 2021	156.9	—	—	—	—	45.0	72.9	52.5	38.1	29.2	10.3	248.0
2022	269.5	—	—	—	—	—	39.3	110.8	90.3	75.5	30.3	346.2
2023	530.5	—	—	—	—	—	—	91.3	219.3	215.9	97.5	624.1
2024	723.3	—	—	—	—	—	—	—	120.6	466.2	172.0	758.8
2025	832.1	—	—	—	—	—	—	—	—	139.8	252.9	392.6
2026	301.9	—	—	—	—	—	—	—	—	—	21.4	21.4
Total	\$ 4,319.9	\$ 1,377.2	\$ 252.6	\$ 324.2	\$ 400.4	\$ 446.4	\$ 382.0	\$ 430.2	\$ 583.7	\$ 998.5	\$ 610.8	\$ 5,805.9

⁽¹⁾ Includes the acquisition date finance receivables portfolios that were acquired through our business acquisitions from the date of acquisition.

⁽²⁾ For our non-U.S. amounts, purchase price is presented at the exchange rate on the date the pool was purchased.

⁽³⁾ U.S. Distressed excludes credit card collections from zero basis accounts associated with our Emblem Brand Credit Card.

⁽⁴⁾ Excludes forward flow purchases that were resold between 2005 and 2008 shortly after purchase and do not reflect typical collection multiples as there is no cost-to-collect for accounts that were resold.

⁽⁵⁾ Adjusted to include historical information from Canaccede Financial Group and its predecessor businesses and excludes collections associated with recovering charged-off accounts in our credit card origination business.

Deployments

The following table displays our quarterly deployments for the three months ended June 30, 2026 and 2025.

Deployments by Geography and Business Line

(in Millions)	Three months ended June 30,	
	2026	2025
US Distressed	\$ 69.9	\$ 57.3
US Insolvency	23.2	23.3
UK Distressed & Insolvency	6.9	4.7
Canada Insolvency	27.1	20.6
Canada Distressed	7.1	6.1
Latin America Distressed	18.0	13.4
Total Purchases	\$ 152.2	\$ 125.3

Liquidity and Capital Resources

We actively manage our liquidity to help provide access to sufficient funding to meet our business needs and financial obligations. As of June 30, 2026, unrestricted cash and cash equivalents totaled \$20.4 million. Of the unrestricted cash and cash equivalent balance as of June 30, 2026, \$16.9 million consisted of cash on hand related to international operations with indefinitely reinvested earnings. On July 2, 2026, we filed a Registration Statement on Form S-3 that was declared effective by the SEC on July 17, 2026, and allows us to offer and sell, from time to time in one or more offerings, up to \$100.0 million in the aggregate of securities. Management believes that the Company has sufficient liquidity available to meet our operating cash needs and obligations for the next twelve months and the foreseeable future.

As of June 30, 2026, we had approximately \$1,405.8 million in borrowings outstanding, net of unamortized debt issuance costs with \$924.1 million of availability under our Revolving Credit Facility (as defined herein) (subject to the borrowing base and applicable debt covenants). Considering borrowing base restrictions, as of June 30, 2026, the amount available to be drawn was \$855.4 million. For more information, see Note 8 to our combined and condensed consolidated financial statements.

Net debt is calculated as total borrowings, adjusted to remove the contra-liability for unamortized debt issuance costs and subtract unrestricted cash. We present net debt because we consider it an important supplemental measure used for assessing our leverage and enhanced period-to-period comparability of leverage and is useful to investors as other companies in our industry report similar financial measures. Net debt should not be considered as an alternative to total borrowings determined in accordance with GAAP. Our calculation of net debt may not be comparable to the calculation of similarly titled measures reported by other companies.

(in Millions)	Twelve months ended June 30,	
	2026	2025
Total borrowings	\$ 1,405.8	\$ 1,181.5
Unamortized debt issuance costs	20.1	18.5
Unrestricted cash and cash equivalents	(20.4)	(51.7)
Net debt	1,405.5	1,148.3
Adjusted cash EBITDA	821.6	654.0
Leverage ratio (net debt / adjusted cash EBITDA)	1.71 x	1.76 x

Our leverage is measured for purposes of our financial covenants in our Revolving Credit Facility based on a ratio of net debt to adjusted cash EBITDA but focused on just the Borrowers (as defined below) and as such, excludes adjusted cash EBITDA related to our Latin America operations as well as to a small portion of our Canadian assets. Additionally, the rating agencies who rate our Senior Notes look to the ratio of net debt to adjusted cash EBITDA as a primary metric in their ratings methodology. Additional information regarding adjusted cash EBITDA, a non-GAAP financial measure, is outlined further below.

We were in compliance with the covenants of our financing arrangements as of June 30, 2026. Financial covenants are important in determining the level of cash flow needed to maintain in relation to our ability to incur debt under our Revolving Credit Facility. If these financial covenants are not complied with, we would be in breach of our Revolving Credit Facility agreement if not cured through an additional pay down within the designated timeframe.

Adjusted Cash EBITDA

Adjusted cash EBITDA is a supplemental non-GAAP financial measure used to evaluate our liquidity. Management believes adjusted cash EBITDA helps provide enhanced period-to-period comparability of our cash flow by aligning our collection expenses with our collections. Adjusted cash EBITDA should not be considered as an alternative to net cash provided by operating activities determined in accordance with GAAP.

Some of the limitations related to the use of adjusted cash EBITDA as an analytical tool include:

- does not reflect our future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;
- does not reflect the interest expense, or the cash requirements necessary to make interest or principal payments, on our debts;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will have to be replaced in the future, and adjusted cash EBITDA does not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate adjusted cash EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, adjusted cash EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

Set forth below is a reconciliation of adjusted cash EBITDA to net cash provided by operating activities.

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net cash provided by operating activities	\$ 43.3	\$ 158.4	\$ 82.9	\$ 210.0
Changes in prepaid expenses	1.9	(1.7)	2.7	6.1
Changes in accounts payable and accrued expenses	(8.3)	(105.8)	0.5	(97.7)
Changes in recoveries	16.1	—	16.1	—
Provision for credit losses	(0.8)	(0.6)	(1.4)	(1.1)
Foreign exchange and other income (expense)	(2.3)	(1.1)	(3.7)	(3.6)
Cash interest paid	28.7	24.5	57.6	48.2
Provision for income taxes	12.0	14.3	25.5	16.9
Total portfolio revenue	(165.3)	(140.4)	(329.9)	(282.7)
Gross collections	300.9	255.7	610.8	516.6
Stock-based compensation	—	(8.3)	—	(7.9)
Merger and acquisition and initial public offering related expenses	—	9.1	0.2	9.9
Adjusted Cash EBITDA	\$ 226.2	\$ 204.1	\$ 461.3	\$ 414.7

Revolving Credit Facility

On November 13, 2024, we amended our Revolving Credit Facility (as supplemented or otherwise modified from time to time, the “Revolving Credit Facility”) under our credit agreement entered into on May 21, 2021 (the “Credit Agreement”).

As amended, the Revolving Credit Facility provides for borrowings in an aggregate principal amount of \$825.0 million (subject to compliance with a borrowing base and applicable debt covenants) and matures on April 26, 2028. In May 2025, we issued \$500.0 million aggregate principal amount of 2030 Notes (as defined below) and used a majority of the proceeds

therefrom, net of fees, to pay down the outstanding balance under the Revolving Credit Facility. In April 2026 we further amended and extended our Revolving Credit Facility to an aggregate commitment of \$1.15 billion. As of June 30, 2026, there was \$225.9 million aggregate principal amount of loans outstanding under the Revolving Credit Facility.

6.000% Senior Notes due 2026

On August 4, 2021, Jefferson Capital Holdings, LLC completed an offering of \$300.0 million aggregate principal amount of 6.000% senior notes due 2026 (the “2026 Notes”) under an indenture (the “2026 Notes Indenture”), dated as of August 4, 2021, among Jefferson Capital Holdings, LLC, the guarantors party thereto and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee. The 2026 Notes are general senior unsecured obligations of Jefferson Capital Holdings, LLC and are guaranteed by certain of Jefferson Capital Holdings, LLC’s wholly-owned domestic restricted subsidiaries. Interest on the 2026 Notes is payable semi-annually on February 15 and August 15 of each year, commencing on February 15, 2022. The 2026 Notes mature on August 15, 2026. As of June 30, 2026 there was \$300.0 million aggregate principal amount of the 2026 Notes outstanding.

9.500% Senior Notes due 2029

On February 2, 2024, Jefferson Capital Holdings, LLC completed an offering of \$400.0 million aggregate principal amount of 9.500% senior notes due 2029 (the “2029 Notes”) under an indenture (the “2029 Notes Indenture”), dated as of February 2, 2024, among Jefferson Capital Holdings, LLC the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. The 2029 Notes are general senior unsecured obligations of Jefferson Capital Holdings, LLC and are guaranteed by certain of Jefferson Capital Holdings, LLC’s wholly-owned domestic restricted subsidiaries. Interest on the 2029 Notes is payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2024. As of June 30, 2026, there was approximately \$400.0 million aggregate principal amount of the 2029 Notes outstanding. The 2029 Notes mature on February 15, 2029.

8.250% Senior Notes due 2030

On May 2, 2025, Jefferson Capital Holdings, LLC completed an offering of \$500.0 million aggregate principal amount of 8.250% senior notes due 2030 (the “2030 Notes”) under an indenture (the “New Notes Indenture”), dated as of May 2, 2025, among Jefferson Capital Holdings, LLC, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee. The 2030 Notes are general senior unsecured obligations of Jefferson Capital Holdings, LLC and are guaranteed by certain of Jefferson Capital Holdings, LLC’s wholly-owned domestic restricted subsidiaries. Interest on the 2030 Notes is payable semi-annually on May 15 and November 15 of each year, commencing on November 15, 2025. As of June 30, 2026, there was approximately \$500.0 million aggregate principal amount of the 2030 Notes outstanding. The 2030 Notes mature on May 15, 2030.

Registration Statement on Form S-3

On July 2, 2026, the Company filed a shelf registration statement on Form S-3 with the SEC. The shelf registration allows the Company to offer and sell up to \$100 million in the aggregate of common stock, preferred stock, debt securities, warrants, purchase contracts and units from time to time in one or more offerings, and separately permits certain selling stockholders to offer and sell up to 32,721,807 shares of the Company’s common stock. We will not receive any proceeds from the sale of common stock by the selling stockholders.

Cash Flows Analysis for the Six months Ended June 30, 2026 and 2025

The following table summarizes our cash flow activity for the six months ended June 30, 2026 and 2025:

(in Millions) Total cash flow provided by / (used in)	Six Months Ended June 30,		Increase (Decrease)	% Change
	2026	2025		
Operating activities	\$ 82.9	\$ 210.0	\$ (127.1)	(60.5)%
Investing activities	(6.0)	(66.9)	60.9	(91.0)%
Financing activities	(94.8)	(122.6)	27.8	(22.7)%
Exchange rate effects on cash balances held in foreign currencies	(3.6)	(3.2)	(0.4)	12.5 %
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ (21.5)	\$ 17.3	\$ (38.8)	(224.4)%

Operating Activities

The change in our cash flows from operating activities in the six months ended June 30, 2026 was primarily due to collections recognized as revenue offset by cash paid for operating expenses, interest, and income taxes. Key drivers of operating activities were adjusted for (i) non-cash items included in net income such as provisions for credit losses and depreciation and amortization and (ii) changes in the balances of operating assets and liabilities, which can vary significantly in the normal course of business due to the amount and timing of payments.

Investing Activities

Cash used in investing activities is normally driven by purchases of investments in receivables. Cash provided by investing activities is mainly driven by collections applied to investments in receivables.

Net cash used in investing activities decreased \$60.9 million in the six months ended June 30, 2026, primarily due to increased collections applied to investment in receivables of \$63.1 million when compared to the six months ended June 30, 2025.

Financing Activities

Cash from financing activities is normally provided by draws on our Revolving Credit Facility and proceeds from debt offerings. Cash used in financing activities is primarily driven by principal payments on our Revolving Credit Facility.

Net cash used in financing activities increased \$51.7 million, primarily due the repurchase by the Company of our common stock.

Contractual Obligations

Our contractual obligations as of June 30, 2026 were as follows:

(in millions)	Total	Less Than 1 Year	1 - 3 Years	4 - 5 Years	More Than 5 Years
Operating leases	\$ 4.5	\$ 0.7	\$ 2.5	\$ 0.5	\$ 0.8
Revolving credit facility ⁽¹⁾	239.8	239.8	—	—	—
Notes payable ⁽²⁾	1,461.8	381.5	544.2	536.1	—
Purchase commitments ⁽³⁾	480.7	312.4	168.3	—	—
Other liabilities	9.3	—	9.3	—	—
Total	\$ 2,196.1	\$ 934.4	\$ 724.3	\$ 536.6	\$ 0.8

⁽¹⁾ Includes estimated interest and unused line fees due on our Revolving Credit Facility and assumes that the outstanding balance on such facility remain constant from the June 30, 2026 balance to maturity.

⁽²⁾ Includes scheduled interest and principal payments on the 2026 Notes, 2029 Notes and 2030 Notes.

⁽³⁾ Reflects the expected remaining amount to be purchased under forward flow and other contracts for the purchase of receivable portfolios.

Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our combined and condensed consolidated financial statements, which have been prepared in accordance with GAAP. Our significant accounting policies are fundamental to understanding our results of operations and financial condition because they require that we use estimates, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities. Our significant accounting estimates are discussed in Note 1 to our combined and condensed consolidated financial statements.

We have identified the total portfolio revenue estimate as critical because it requires significant judgment and assumptions about highly complex and inherently uncertain matters, and the use of reasonably different estimates and assumptions could have a material impact on our results of operations or financial condition.

We evaluate our critical accounting estimates and judgments on an ongoing basis and update them as necessary, based on several items, including, but not limited to, changing macroeconomic and market conditions.

There have been no material changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We are subject to interest rate risk from borrowings on our Revolving Credit Facility, as well as our interest-bearing deposits. As such, our combined and condensed consolidated financial results are subject to fluctuations due to changes in market interest rates. We assess this interest rate risk by estimating the increase or decrease in interest expense that would occur due to a change in short-term interest rates. The borrowings on our variable rate credit facilities were \$225.9 million as of June 30, 2026.

Foreign Currency Exchange Risk

We transact business globally in multiple currencies. Our international revenue, as well as costs and expenses denominated in foreign currencies, expose us to the risk of fluctuations in foreign currency exchange rates against the U.S. dollar. We are exposed to foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar, including the British pound and Canadian dollar. Accordingly, changes in exchange rates may negatively affect our future revenue and other operating results as expressed in U.S. dollars.

We have experienced and will continue to experience fluctuations in our net income (loss) as a result of transaction gains or losses related to remeasurement of our asset and liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. We do not currently hedge against the risks associated with currency fluctuations but may do so, or use other derivative instruments, in the future. It is difficult to predict the impact hedging activities would have on our results of operations.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations, other than its impact on the general economy, which includes labor costs. Nonetheless, if our costs, in particular personnel-related costs, continue to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Concentration Risk

A substantial percentage of our purchases are concentrated with a few large sellers. For the six months ended June 30, 2026 and 2025, our five largest clients together accounted for 40.7% and 41.0% of our deployments, respectively, with the top client representing 9.5% and 12.3% of purchases for the same periods, respectively.

We are subject to risks and uncertainties associated with our client concentration. An inability to maintain our purchasing activity with any of our largest clients as a result of potential competitive pressures, changes in a client's debt recovery strategy or other factors could have an adverse impact on our financial performance. Our client concentration has, however, decreased in recent years as our client base has become more diversified. A key driver of this trend, which we expect to continue in future periods, has been our ability to add new clients across multiple asset classes, including clients who are first time sellers that previously managed collections themselves.

In addition, we enter into forward flow purchase agreements with our customers on a regular basis, which provides pricing and contractual certainty and mitigates the risk of unforeseen client loss. As of June 30, 2026, we had \$480.7 million of total committed forward flows.

Item 4. Controls and Procedures

Limitation on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of June 30, 2026.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2026, there was no change made in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we may at times be subject to claims and legal actions. We do not believe the results of any current or threatened proceedings, individually or in the aggregate, will have a material adverse effect on our business, financial condition, results of operations or liquidity.

Item 1A. Risk Factors

The Company's business, results of operations, and financial conditions are subject to various risks described in the Company's 2025 Form 10-K. There have been no material changes to the risk factors identified in the Company's 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

None.

Recent Sales of Unregistered Securities

None.

Use of Proceeds

All shares of common stock issued and sold in the IPO were registered under the Securities Act pursuant to our registration statement on Form S-1, as amended (File No. 333-287488), which was declared effective by the SEC on June 25, 2025.

There have been no material changes in the expected use of net proceeds from our IPO as described under the heading "Use of Proceeds" in our Prospectus. As of the date of filing of this report, we have used all of the net proceeds from the IPO.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information
(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider trading arrangements and policies

During the three months ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Form	File No.	Incorporated by Reference		Filed/Furnished Herewith
				Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Jefferson Capital, Inc.	S-1/A	333-287488	3.2	6/24/2025	
3.2	Amended and Restated Bylaws of Jefferson Capital, Inc.	S-1/A	333-287488	3.2	6/24/2025	
4.1	Specimen Stock Certificate evidencing the shares of common stock	S-1/A	333-287488	4.1	6/13/2025	
4.2	Indenture, dated as of August 4, 2021, by and among Jefferson Capital Holdings, LLC, the guarantors party thereto and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee.	S-1	333-287488	4.2	5/21/2025	
4.3	Form of 6.000% Senior Notes due 2026 (included in Exhibit 4.2)	S-1	333-287488	4.3	5/21/2025	
4.4	Indenture, dated as of February 2, 2024, by and among Jefferson Capital Holdings, LLC, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee.	S-1	333-287488	4.4	5/21/2025	
4.5	Form of 9.500% Senior Notes due 2029 (included in Exhibit 4.4)	S-1	333-287488	4.5	5/21/2025	
4.6	Indenture, dated as of May 2, 2025, by and among Jefferson Capital Holdings, LLC, the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee.	S-1	333-287488	4.6	5/21/2025	
4.7	Form of 8.250% Senior Notes due 2030 (included in Exhibit 4.6)	S-1	333-287488	4.7	5/21/2025	
4.8	Stockholders Agreement	10-Q	001-42718	4.8	8/14/2025	

Table of Contents

10.1†	<u>Amendment No. 8 to Credit Agreement, dated as of April 22, 2026, by and among CL Holdings, LLC, Jefferson Capital Systems, LLC, JC International Acquisition, LLC, CFG Canada Funding, LLC, the guarantors party thereto, the existing lenders party thereto, the incremental lenders party thereto and Citizens Bank, N.A., as administrative agent.</u>	8-K	001-42718	10.1	4/23/2026	
						*
31.1	<u>Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					*
	<u>Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>					*
31.2	<u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>					**
32.1	<u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>					**
32.2	<u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>					*
	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					*
101.INS	XBRL Taxonomy Extension Schema Document					*
101.SCH	XBRL Taxonomy Extension Calculation Linkbase Document					*
101.CAL	XBRL Taxonomy Extension Definition Linkbase Document					*
101.DEF	XBRL Taxonomy Extension Label Linkbase Document					*
101.LAB	XBRL Taxonomy Extension Presentation Linkbase Document					*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 99.1)					*

*Filed herewith

**Furnished herewith

† Certain portions of this exhibit have been redacted pursuant to Item 601(b)(2)(ii) and Item 601(b)(10)(iv) of Regulation S-K, as applicable. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, duly authorized.

Date: August 13, 2026

Jefferson Capital, Inc.

By: /s/ David Burton

Name: David Burton

Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Christo Realov

Name: Christo Realov

Title: Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David Burton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jefferson Capital, Inc.;
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 period covered by this report;
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(s) 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)) 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. Omitted.
 - 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 registrant's fourth fiscal quarter 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; and
5. The registrant's other certifying officer(s) 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 the 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.

Dated: August 13, 2026

By: /s/ David Burton

Name: David Burton

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christo Realov, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Jefferson Capital, Inc.;
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 period covered by this report;
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(s) 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)) 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. Omitted.
 - 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 registrant's fourth fiscal quarter 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; and
5. The registrant's other certifying officer(s) 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 the 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.

Dated: August 13, 2026

By: /s/ Christo Realov

Name: Christo Realov

Title: Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Jefferson Capital, Inc. (the “Company”) for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David Burton, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2026

By: /s/ David Burton

Name: David Burton

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Jefferson Capital, Inc. (the “Company”) for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Christo Realov, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (i) the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2026

By: /s/ Christo Realov

Name: Christo Realov

Title: Chief Financial Officer
(Principal Financial Officer)
