

# WORLD ACCEPTANCE CORP

## FORM 10-Q (Quarterly Report)

Filed 08/06/25 for the Period Ending 06/30/25

Address	108 FREDRICK STREET GREENVILLE, SC, 29607
Telephone	8642989800
CIK	0000108385
Symbol	WRLD
SIC Code	6141 - Personal Credit Institutions
Industry	Consumer Lending
Sector	Financials
Fiscal Year	03/31

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**Form 10-Q**

(Mark One)

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

For the quarterly period ended June 30, 2025  
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: 000-19599

**WORLD ACCEPTANCE CORPORATION**

(Exact name of registrant as specified in its charter.)

**South Carolina**

**57-0425114**

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

104 S Main Street  
Greenville, South Carolina 29601

(Address of principal executive offices)  
(Zip Code)

(864) 298-9800

(registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, no par value	WRLD	The NASDAQ Stock Market LLC (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 shorter period than 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 (§ 232.405 of this chapter) 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 ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if 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 outstanding shares of the issuer's common stock, no par value, as of August 1, 2025 was 5,445,788.

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**WORLD ACCEPTANCE CORPORATION**  
**FORM 10-Q**

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**Introductory Note:** As used herein, the "Company," "we," "our," "us," or similar formulations include World Acceptance Corporation and each of its subsidiaries, unless otherwise expressly noted or the context otherwise requires that it include only World Acceptance Corporation. All references in this report to "fiscal 2026" are to the Company's fiscal year ending March 31, 2026; all references in this report to "fiscal 2025" are to the Company's fiscal year ended March 31, 2025; and all references to "fiscal 2019" are to the Company's fiscal year ended March 31, 2019.

## GLOSSARY OF DEFINED TERMS

The following terms may be used throughout this Report, including consolidated financial statements and related notes.

Term	Definition
2008 Plan	World Acceptance Corporation 2008 Stock Option Plan
2011 Plan	World Acceptance Corporation 2011 Stock Option Plan
2017 Plan	World Acceptance Corporation 2017 Stock Incentive Plan
2018 Performance Option Measurement Period	The 6.5 year performance period beginning on September 30, 2018 and ending on March 31, 2025 over which Performance Options are eligible to vest, following certification by the Compensation Committee of achievement
2018 Performance Share Measurement Period	The 6.5 year performance period beginning on September 30, 2018 and ending on March 31, 2025 over which Performance Shares are eligible to vest, following certification by the Compensation Committee of achievement
2024 Performance Options	Performance options granted on December 18, 2024 under the 2017 Plan
2024 Performance Shares	Performance shares granted on December 18, 2024 under the 2017 Plan
2024 Performance Option Measurement Period	The 1 year performance period beginning on January 01, 2025 and ending on December 31, 2025
2024 Performance Share Measurement Period	The 1 year performance period beginning on January 01, 2025 and ending on December 31, 2025 over which Performance Shares are eligible to vest, following certification by the Compensation Committee of achievement
\$16.35 Performance Shares	Performance shares associated with the \$16.35 trailing 4-Quarter EPS target for September 30, 2018 through March 31, 2025
\$20.45 Performance Shares	Performance shares associated with the \$20.45 trailing 4-Quarter EPS target for September 30, 2018 through March 31, 2025
2025 Performance Shares	Performance shares granted on June 10, 2025 under the 2017 Plan
2025 Performance Share Measurement Period	The performance period beginning on July 01, 2025 and ending on March 31, 2027 over which Performance Shares are eligible to vest, following certification by the Compensation Committee of achievement
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CECL	Current Expected Credit Loss
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFPB	U.S. Consumer Financial Protection Bureau
CODM	Chief Operating Decision Maker
Compensation Committee	Compensation and Stock Option Committee
Customer Tenure	The number of months since a customer was first serviced by the Company
EPS	Earnings per share
ERISA	Employee Retirement Income Security Act
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
G&A	General and administrative
GAAP	U.S. generally accepted accounting principles
HTC	Historic Tax Credit
IRS	U.S. Internal Revenue Service
Notes	\$300 million in aggregate principal amount of 7.0% unsecured senior notes due November 2026 issued on September 27, 2021
PCD	Purchased Assets with Credit Deterioration
Performance Options	Performance-based stock options
Performance Shares	Service- and performance-based restricted stock awards
Rehab Rate	Percentage of 91 days or more delinquent that do not charge off

Restricted Stock	Service-based restricted stock awards
SEC	U.S. Securities and Exchange Commission
Service Options	Service-based stock options
SOFR	Secured Overnight Finance Rate
TAL	Tax Advance Loan

# PART I. FINANCIAL INFORMATION

## WORLD ACCEPTANCE CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (Unaudited)

	June 30, 2025	March 31, 2025
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,126,292	\$ 9,730,296
Gross loans receivable	1,264,340,621	1,225,635,918
Less:		
Unearned interest, insurance and fees	(326,215,023)	(309,320,104)
Allowance for credit losses	(109,027,028)	(103,347,129)
Loans receivable, net	829,098,570	812,968,685
Income taxes receivable	7,629,460	—
Operating lease right-of-use assets, net	74,571,796	76,234,832
Property and equipment, net	19,138,343	19,765,788
Deferred income taxes, net	29,126,983	33,291,074
Other assets, net	42,430,604	40,871,600
Goodwill	7,370,791	7,370,791
Intangible assets, net	6,563,566	7,394,581
Total assets	<u>\$ 1,024,056,405</u>	<u>\$ 1,007,627,647</u>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
Liabilities:		
Senior notes payable	\$ 302,673,702	\$ 262,451,475
Senior unsecured notes payable, net	169,064,077	184,418,211
Income taxes payable	—	222,742
Operating lease liability	77,086,765	78,689,723
Accounts payable and accrued expenses	47,380,523	42,365,032
Total liabilities	596,205,067	568,147,183
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value Authorized 5,000,000, no shares issued or outstanding	—	—
Common stock, no par value Authorized 95,000,000 shares; issued and outstanding 5,443,265 and 5,374,012 shares at June 30, 2025 and March 31, 2025, respectively	—	—
Additional paid-in capital	266,471,596	266,426,478
Retained earnings	161,379,742	173,053,986
Total shareholders' equity	427,851,338	439,480,464
Total liabilities and shareholders' equity	<u>\$ 1,024,056,405</u>	<u>\$ 1,007,627,647</u>

See accompanying notes to consolidated financial statements.

**WORLD ACCEPTANCE CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)**

	Three months ended June 30,	
	2025	2024
Revenues:		
Interest and fee income	\$ 115,302,802	\$ 111,161,086
Insurance and other income, net	17,149,118	18,366,180
Total revenues	132,451,920	129,527,266
Expenses:		
Provision for credit losses	50,515,969	45,419,007
General and administrative expenses:		
Personnel	45,761,527	36,976,186
Occupancy and equipment	11,785,658	12,163,775
Advertising	2,298,906	1,656,279
Amortization of intangible assets	831,015	1,005,750
Other	9,683,146	9,610,334
Total general and administrative expenses	70,360,252	61,412,324
Interest expense	9,629,883	9,768,771
Total expenses	130,506,104	116,600,102
Income before income taxes	1,945,816	12,927,164
Income tax expense	601,749	2,979,737
Net income	\$ 1,344,067	\$ 9,947,427
Net income per common share:		
Basic	\$ 0.26	\$ 1.82
Diluted	\$ 0.25	\$ 1.79
Weighted average common shares outstanding:		
Basic	5,224,004	5,480,205
Diluted	5,288,643	5,567,818

See accompanying notes to consolidated financial statements.



**WORLD ACCEPTANCE CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
(Unaudited)**

Three months ended June 30, 2025				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
	Shares			
<b>Balances at March 31, 2025</b>	<b>5,374,012</b>	<b>\$ 266,426,478</b>	<b>\$ 173,053,986</b>	<b>\$ 439,480,464</b>
Proceeds from exercise of stock options	16,360	1,566,318	—	1,566,318
Common stock repurchases	(87,609)	—	(13,018,311)	(13,018,311)
Stock-based compensation (reversal) related to restricted stock, net of cancellations (\$4,627,907)	140,502	(1,797,081)	—	(1,797,081)
Stock-based compensation related to stock options	—	275,881	—	275,881
Net income	—	—	1,344,067	1,344,067
<b>Balances at June 30, 2025</b>	<b>5,443,265</b>	<b>\$ 266,471,596</b>	<b>\$ 161,379,742</b>	<b>\$ 427,851,338</b>

  

Three months ended June 30, 2024				
	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
	Shares			
<b>Balances at March 31, 2024</b>	<b>5,938,665</b>	<b>\$ 286,432,952</b>	<b>\$ 137,994,264</b>	<b>\$ 424,427,216</b>
Proceeds from exercise of stock options	7,011	686,382	—	686,382
Common stock repurchases	(79,324)	—	(11,254,770)	(11,254,770)
Stock-based compensation (reversal) related to restricted stock, net of cancellations (\$131,242)	(18,954)	(1,338,807)	—	(1,338,807)
Stock-based compensation related to stock options	—	143,720	—	143,720
Net income	—	—	9,947,427	9,947,427
<b>Balances at June 30, 2024</b>	<b>5,847,398</b>	<b>\$ 285,924,247</b>	<b>\$ 136,686,921</b>	<b>\$ 422,611,168</b>

See accompanying notes to consolidated financial statements.

**WORLD ACCEPTANCE CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)**

	Three months ended June 30,	
	2025	2024
Cash flow from operating activities:		
Net income	\$ 1,344,067	\$ 9,947,427
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible assets	831,015	1,005,750
Accrued unearned interest	(2,433,938)	(1,225,006)
Amortization of deferred loan cost	3,707,858	3,351,475
Loss (gain) on extinguishment of senior unsecured notes payable	43,438	(841,902)
Amortization of debt issuance costs	279,131	347,904
Amortization of discount on loans acquired in an asset purchase	(210,541)	—
Provision for credit losses	50,515,969	45,419,007
Depreciation	1,516,849	1,643,118
Gain on sale of property and equipment	(330,424)	(22,972)
Deferred income tax expense (benefit)	4,164,091	(1,482,294)
Stock-based compensation (reversal) related to equity classified awards	3,106,707	(1,063,845)
Change in accounts:		
Other assets, net	(1,497,187)	(3,675,104)
Income taxes receivable and payable	(7,852,202)	(859,377)
Accounts payable and accrued expenses	4,968,214	(4,133,254)
Net cash provided by operating activities	58,153,047	48,410,927
Cash flows from investing activities:		
Increase in loans receivable, net	(67,709,233)	(34,946,897)
Purchases of property and equipment	(1,038,887)	(1,083,641)
Proceeds from the sale of property and equipment	479,907	161,582
Net cash used in investing activities	(68,268,213)	(35,868,956)
Cash flow from financing activities:		
Borrowings from senior notes payable	92,048,258	94,138,260
Payments on senior notes payable	(51,826,031)	(75,829,647)
Payments for extinguished senior unsecured notes payable	(15,519,066)	(20,962,500)
Payments for debt extinguishment costs	(26,450)	(12,500)
Debt issuance costs associated with senior notes payable	(132,926)	(2,364)
Proceeds from exercise of stock options	1,566,318	686,382
Payments for taxes related to net share settlement of equity awards	(4,627,907)	(131,242)
Repurchase of common stock	(12,971,034)	(11,148,682)
Net cash provided by (used in) financing activities	8,511,162	(13,262,293)
Net change in cash and cash equivalents	(1,604,004)	(720,322)
Cash and cash equivalents at beginning of period	9,730,296	11,839,460
Cash and cash equivalents at end of period	\$ 8,126,292	\$ 11,119,138
Supplemental Disclosures:		
Interest paid during the period	\$ 12,458,528	\$ 15,255,371
Income taxes paid during the period	\$ 1,025,938	\$ 954,509
Excise tax on stock repurchases not paid during the period	\$ 47,277	\$ 106,088

See accompanying notes to consolidated financial statements.

**WORLD ACCEPTANCE CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**NOTE 1 – BASIS OF PRESENTATION**

The consolidated financial statements of the Company at June 30, 2025 and 2024 and for the three months then ended were prepared in accordance with the instructions for Form 10-Q and are unaudited; however, in the opinion of management, all adjustments (consisting only of items of a normal, recurring nature) necessary for a fair presentation of the financial position at June 30, 2025, and the results of operations and cash flows for the periods ended June 30, 2025 and 2024, have been included. The results for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The consolidated financial statements do not include all disclosures required by GAAP and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the fiscal year ended March 31, 2025, included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2025, as filed with the SEC (the "fiscal 2025 Annual Report"). The Company applies the accounting policies contained in Note 1 to the Consolidated Financial Statements included in the fiscal 2025 Annual Report. The Company believes that the disclosures are adequate to make the information presented not misleading.

**NOTE 2 – SUMMARY OF SIGNIFICANT POLICIES**

***Nature of Operations***

The Company is a small-loan consumer finance company headquartered in Greenville, South Carolina that offers short-term small loans, medium-term larger loans, related credit insurance products and ancillary products and services to individuals who have limited access to other sources of consumer credit. The Company offers income tax return preparation services to its loan customers and other individuals.

***Seasonality***

The Company's loan volume and corresponding loans receivable follow seasonal trends. The Company's highest loan demand generally occurs from October through December, its third fiscal quarter. Loan demand is generally lowest and loan repayment highest from January to March, its fourth fiscal quarter. Loan volume and average balances remain relatively level during the remainder of the year. Consequently, the Company experiences significant seasonal fluctuations in its operating results and cash needs. Operating results for the Company's third fiscal quarter are generally lower than in other quarters, and operating results for its fourth fiscal quarter are generally higher than in other quarters.

***Loans receivable, net***

Loans receivable are carried at amortized cost, which is the gross amount outstanding, reduced by unearned interest and insurance income, net of deferred origination fees and direct costs, and an allowance for credit losses. Fees received and direct costs incurred for the origination of loans are deferred and amortized to interest income over the contractual lives of the loans using the interest method. Unamortized amounts are recognized in income at the time that loans are refinanced or paid in full except for those refinancings that do not constitute a more than minor modification. Net unamortized deferred origination costs were \$5.8 million and \$5.5 million as of June 30, 2025 and March 31, 2025, respectively.

From time to time, the Company will sell charged off loans receivable, which are accounted for as a sale in accordance with ASC 860, *Transfers and Servicing*. See Note 4 to the Consolidated Financial Statements for further information.

***Allowance for credit losses***

Refer to Note 4 to the Consolidated Financial Statements for information regarding the Company's CECL allowance model and a description of the policies and methodology utilized.

### ***Reclassification***

From time to time, prior period amounts will be reclassified to conform to the current presentation. Such reclassifications have no impact on previously reported net income or shareholders' equity.

### ***Concentration of Risk***

The Company generally serves individuals with limited access to other sources of consumer credit such as banks, credit unions, other consumer finance businesses and credit card lenders. Substantially all new customers are required to submit a listing of personal property that will serve as collateral to secure the loan; however, the Company does not rely on the value of such collateral in the loan approval process and generally does not perfect its security interest in that collateral.

During the three months ended June 30, 2025, the Company operated in sixteen states in the United States. As of June 30, 2025 and March 31, 2025, gross loan receivable within the Company's four largest states accounted for approximately 51% of the Company's gross loans receivable balance.

The Company maintains amounts in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced losses in such accounts, which are maintained with large domestic banks. Management believes the Company's exposure to credit risk is minimal for these accounts.

### ***Segment Reporting***

The Company reports operating segments in accordance with FASB ASC Topic 280. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the CODM in deciding how to allocate resources and assess performance. FASB ASC Topic 280 requires that a public enterprise report a measure of segment profit or loss, certain specific revenue and expense items, segment assets, information about the way that the operating segments were determined and other items.

The Company has one reportable segment: the consumer finance segment. The other revenue generating activities of the Company, including the sale of insurance products, income tax preparation, and the automobile club, are done within the existing branch network in conjunction with or as a complement to the lending operations. There is no discrete financial information available for these activities, and they do not meet the criteria under FASB ASC Topic 280 to be considered operating segments. The accounting policies of the Company's segment are described within this Note 1 to the Consolidated Financial Statements, as well as the accounting policies contained in Note 1 to the Consolidated Financial Statements included in the fiscal 2025 Annual Report.

The Company's CODM is its CEO. The CODM utilizes consolidated net income as presented in the Consolidated Statements of Operations to evaluate and measure segment performance and to determine how to allocate resources. Significant segment expenses are consistent with those presented in the Consolidated Statements of Operations, and segment assets are consistent with those presented in the Consolidated Balance Sheets.

### ***Recently Issued Accounting Standards Not Yet Adopted***

#### ***Improvements to Income Tax Disclosures***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which modifies the rules on income tax disclosures to require entities to expand annual disclosures to 1) include specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold and 2) disclose the amount of income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes. ASU 2023-09 also requires entities to disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and income tax expense (or benefit) from continuing operations disaggregated by federal, state and foreign, among other changes. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. Management is currently evaluating this ASU to determine its impact on the Company's consolidated financial statements and related disclosures.

#### ***Disaggregation of Income Statement Expenses***

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which requires additional disclosure, in the notes to financial statements, about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, which was clarified by ASU 2025-01, *Clarifying the Effective Date*. Early adoption is permitted. ASU 2024-03 should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this update or (2) retrospectively to any or all prior periods presented in the financial statements. Management is currently evaluating this ASU to determine its impact on the Company's consolidated financial statements and related disclosures.

We reviewed all other newly issued accounting pronouncements and concluded that they are either not applicable to our business or are not expected to have a material effect on the consolidated financial statements and related disclosures as a result of future adoption.

### NOTE 3 – FAIR VALUE

#### ***Fair Value Disclosures***

The Company may carry certain financial instruments and derivative assets and liabilities at fair value measured on a recurring or nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company measures the fair values of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair value measurements are grouped in three levels. The levels prioritize the inputs used to measure the fair value of the assets or liabilities. These levels are:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are less active.
- Level 3 – Unobservable inputs for assets or liabilities reflecting the reporting entity's own assumptions.

The Company's financial instruments consist of cash and cash equivalents, loans receivable, net, the senior notes payable, and the senior unsecured notes payable. Loans receivable are originated at prevailing market rates and have an average life of up to twelve months. Given the short-term nature of these loans, they are continually repriced at current market rates. The Company's senior notes payable, consisting of a senior revolving credit facility, has a variable rate based on a margin over SOFR and reprices with any changes in SOFR. The fair value of the senior unsecured notes payable is estimated based on quoted prices in markets that are not active. The Company also considers its creditworthiness in its estimation of fair value.

The carrying amounts and estimated fair values of financial assets and liabilities disclosed but not carried at fair value and their level within the fair value hierarchy are summarized below.

	Input Level	June 30, 2025		March 31, 2025	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
ASSETS					
Cash and cash equivalents	1	\$ 8,126,292	\$ 8,126,292	\$ 9,730,296	\$ 9,730,296
Loans receivable, net	3	829,098,570	829,098,570	812,968,685	812,968,685
LIABILITIES					
Senior unsecured notes payable, net	2	169,064,077	168,981,236	184,418,211	182,754,759
Senior notes payable	3	302,673,702	302,673,702	262,451,475	262,451,475

There were no significant assets or liabilities measured at fair value on a non-recurring basis as of June 30, 2025 or March 31, 2025.

#### NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The following is a summary of gross loans receivable by Customer Tenure as of:

Customer Tenure	June 30, 2025	March 31, 2025
0 to 5 months	\$ 90,769,121	\$ 101,878,703
6 to 17 months	93,051,287	75,379,597
18 to 35 months	98,386,262	99,857,401
36 to 59 months	142,981,865	130,228,889
60+ months	836,171,692	813,921,811
TALs	2,980,394	4,369,517
Total gross loans	\$ 1,264,340,621	\$ 1,225,635,918

Current payment performance is used to assess the capability of the borrower to repay contractual obligations of the loan agreements as scheduled, which is monitored by management on a daily basis. The Company's payment performance buckets are as follows: current, 30-60 days past due, 61-90 days past due, 91 days or more past due.

All loans, except for TALs, that are greater than 90 days past due on a recency basis and not written off as of the reporting date are reserved for at 100% of the outstanding balance, net of a calculated Rehab Rate. The weighted average Rehab Rate at June 30, 2025 and March 31, 2025 was 5.0% and 4.5%, respectively. A loan is charged off within the allowance for credit losses in the month following when an account reaches 120 days past due on a recency basis, subject to certain exceptions. Specifically, the Company's customer accounts in a confirmed bankruptcy are generally charged off in the month after they reach 60 days past due on a recency basis. The accounts of deceased or incarcerated customers are also generally charged off in the month after they reach 60 days past due on a recency basis, with the exception of deceased customers with credit life insurance. Subsequent recoveries of amounts charged off, if any, are credited to the allowance for credit losses.

The following table provides a breakdown of the Company's gross loans receivable by current payment performance on a recency basis and year of origination at June 30, 2025:

Term Loans By Origination							
Loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	\$ 1,098,396,462	\$ 50,274,171	\$ 4,490,503	\$ 354,683	\$ 9,227	\$ 4,913	\$ 1,153,529,959
30 - 60 days past due	37,799,155	4,080,719	565,849	95,444	—	5,570	42,546,737
61 - 90 days past due	22,927,453	2,729,137	305,748	41,703	4,206	—	26,008,247
91 or more days past due	33,460,125	5,237,013	496,744	80,505	897	—	39,275,284
Total	\$ 1,192,583,195	\$ 62,321,040	\$ 5,858,844	\$ 572,335	\$ 14,330	\$ 10,483	\$ 1,261,360,227

  

Term Loans By Origination							
TALs	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	\$ 344,446	\$ 60,651	\$ —	\$ —	\$ —	\$ —	405,097
30 - 60 days past due	122,637	24,915	—	—	—	—	147,552
61 - 90 days past due	143,893	23,322	—	—	—	—	167,215
91 or more days past due	2,223,644	36,886	—	—	—	—	2,260,530
Total	\$ 2,834,620	\$ 145,774	\$ —	\$ —	\$ —	\$ —	2,980,394
Total gross loans							<u>\$ 1,264,340,621</u>

The following table provides a breakdown of the Company's gross loans receivable by current payment performance on a recency basis and year of origination at March 31, 2025:



Term Loans By Origination							
Loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	\$ 1,053,793,007	\$ 50,053,899	\$ 4,842,323	\$ 251,689	\$ 9,764	\$ 3,256	\$ 1,108,953,938
30 - 60 days past due	34,713,638	3,762,456	510,626	70,739	3,765	6,865	39,068,089
61 - 90 days past due	25,209,122	2,176,520	202,706	43,404	1,606	—	27,633,358
91 or more days past due	40,846,872	4,315,756	359,135	80,844	2,352	6,057	45,611,016
Total	\$ 1,154,562,639	\$ 60,308,631	\$ 5,914,790	\$ 446,676	\$ 17,487	\$ 16,178	\$ 1,221,266,401

  

Term Loans By Origination							
TALs	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	\$ 2,634,949	\$ 137,685	\$ —	\$ —	\$ —	\$ —	\$ 2,772,634
30 - 60 days past due	1,477,466	26,980	—	—	—	—	1,504,446
61 - 90 days past due	—	22,376	—	—	—	—	22,376
91 or more days past due	—	70,061	—	—	—	—	70,061
Total	\$ 4,112,415	\$ 257,102	\$ —	\$ —	\$ —	\$ —	\$ 4,369,517
Total gross loans							<u>\$ 1,225,635,918</u>

The following table provides a breakdown of the Company's gross loans receivable by current payment performance on a contractual basis and year of origination at June 30, 2025:

Loans	Term Loans By Origination							Total
	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago		
Current	\$ 1,086,616,028	\$ 44,704,746	\$ 3,443,044	\$ 183,643	\$ 1,693	\$ —	\$ 1,134,949,154	
30 - 60 days past due	39,423,055	2,947,200	242,369	28,913	—	—	42,641,537	
61 - 90 days past due	25,089,307	2,797,611	238,662	18,268	—	—	28,143,848	
91 or more days past due	41,454,805	11,871,483	1,934,769	341,511	12,637	10,483	55,625,688	
Total	\$ 1,192,583,195	\$ 62,321,040	\$ 5,858,844	\$ 572,335	\$ 14,330	\$ 10,483	\$ 1,261,360,227	

TALs	Term Loans By Origination						Total
	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	
Current	\$ 251,856	\$ 45,819	\$ —	\$ —	\$ —	\$ —	\$ 297,675
30 - 60 days past due	140,488	22,218	—	—	—	—	162,706
61 - 90 days past due	191,002	17,777	—	—	—	—	208,779
91 or more days past due	2,251,274	59,960	—	—	—	—	2,311,234
Total	\$ 2,834,620	\$ 145,774	\$ —	\$ —	\$ —	\$ —	\$ 2,980,394
Total gross loans							\$ 1,264,340,621

The following table provides a breakdown of the Company's gross loans receivable by current payment performance on a contractual basis and year of origination at March 31, 2025:

Loans	Term Loans By Origination						Total
	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	
Current	\$ 1,036,242,539	\$ 43,391,314	\$ 3,580,872	\$ 112,427	\$ 1,559	\$ —	\$ 1,083,328,711
30 - 60 days past due	38,559,638	3,062,579	231,471	20,496	—	—	41,874,184
61 - 90 days past due	30,254,181	2,750,211	235,759	11,600	—	—	33,251,751
91 or more days past due	49,506,281	11,104,527	1,866,688	302,153	15,928	16,178	62,811,755
Total	\$ 1,154,562,639	\$ 60,308,631	\$ 5,914,790	\$ 446,676	\$ 17,487	\$ 16,178	\$ 1,221,266,401

TALs	Term Loans By Origination						Total
	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	
Current	\$ 2,634,950	\$ 111,585	\$ —	\$ —	\$ —	\$ —	\$ 2,746,535
30 - 60 days past due	1,477,465	15,502	—	—	—	—	1,492,967
61 - 90 days past due	—	19,812	—	—	—	—	19,812
91 or more days past due	—	110,203	—	—	—	—	110,203
Total	\$ 4,112,415	\$ 257,102	\$ —	\$ —	\$ —	\$ —	\$ 4,369,517
Total gross loans							<u>\$ 1,225,635,918</u>

The following table provides a breakdown of the Company's gross charge-offs by fiscal year of origination for the three months ended June 30, 2025:

Origination Year	Three months ended June 30,		
	Gross Charge-offs by Origination		Total
	Loans	TALs	
2020 and prior	\$ 6,045	\$ —	\$ 6,045
2021	85,866	—	85,866
2022	331,121	—	331,121
2023	3,927,524	79,991	4,007,515
2024	45,057,496	4,000	45,061,496
2025	5,306	—	5,306
Total	\$ 49,413,358	\$ 83,991	\$ 49,497,349

The following table provides a breakdown of the Company's gross charge-offs by fiscal year of origination for the three months ended June 30, 2024:

Origination Year	Three months ended June 30,			
	Gross Charge-offs by Origination			
	Loans	TALs	Total	
2019 and prior	\$ 20,281	\$ —	\$ 20,281	
2020	11,268	—	11,268	
2021	322,944	—	322,944	
2022	4,275,700	—	4,275,700	
2023	39,206,136	53,125	39,259,261	
2024	—	—	—	
Total	\$ 43,836,329	\$ 53,125	\$ 43,889,454	

Credit risk is inherent in the business of extending loans to borrowers and is continuously monitored by management and reflected within the allowance for credit losses for loans. The allowance for credit losses is an estimate of expected losses inherent within the Company's gross loans receivable portfolio. In estimating the allowance for credit losses, loans with similar risk characteristics are aggregated into pools and collectively assessed. The Company's loan products have generally the same terms therefore the Company looks to borrower characteristics as a way to disaggregate loans into pools sharing similar risks.

In determining the allowance for credit losses, the Company examined four borrower risk metrics as noted below.

1. Borrower type
2. Active months
3. Prior loan performance
4. Customer Tenure

To determine how well each metric predicts default risk the Company used loss rate data over an observation period of twelve months at the loan level.

The information value was then calculated for each metric. From this analysis management determined the metric that had the strongest predictor of default risk was Customer Tenure. The Customer Tenure buckets used in the allowance for credit loss calculation are:

1. 0 to 5 months
2. 6 to 17 months
3. 18 to 35 months
4. 36 to 59 months
5. 60+ months

Management will continue to monitor this credit metric on a quarterly basis.

Management estimates an allowance for each Customer Tenure bucket by performing a historical migration analysis of loans in that bucket for the twelve most recent historical twelve-month migration periods. Management considers whether current credit conditions might suggest a change is needed to the allowance for credit losses by monitoring trends in first pay success for new borrowers, 60-89 day delinquencies on a recency basis, percent of loan balances that are paying and percentage of gross loans that are acquired loans. If management determines that historical migration rates should be adjusted to reflect expected credit losses, a qualitative adjustment is made to reflect management's judgment regarding observable changes in recent or expected economic trends and conditions, portfolio composition, or other significant events or conditions that affect the current estimate. The increase in the allowance for credit losses from March 31, 2025 to June 30, 2025 was primarily due to a seasonally driven increase in expected loss rates during the period.

Due to the short term nature of the loan portfolio, forecasted changes in macroeconomic variables such as unemployment levels, general inflation and commodity prices, typically do not have a significant impact on loans outstanding at the end of a particular reporting period, unless those changes are particularly severe and sudden in nature. Therefore, management develops a reasonable and supportable forecast of losses by comparing the most recent six-month loss curves as compared to historical loss curves to see if there are significant changes in borrower behavior that may indicate the historical migration rates should be adjusted. If a change is determined necessary, then the Company has elected to immediately revert back to historical experience past the forecast period. As of June 30, 2025 and March 31, 2025, there were no conditions or other factors considered significant enough to warrant a forecast adjustment.

The following table presents a roll forward of the allowance for credit losses for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,	
	2025	2024
Beginning balance	\$ 103,347,129	\$ 102,962,811
Provision for credit losses	50,515,969	45,419,007
Charge-offs	(49,497,349)	(43,889,454)
Recoveries <sup>1</sup>	4,661,279	5,150,999
Net charge-offs	(44,836,070)	(38,738,455)
Ending Balance	\$ 109,027,028	\$ 109,643,363

The following table is an aging analysis on a recency basis at amortized cost of the Company's gross loans receivable at June 30, 2025:

Customer Tenure	Days Past Due - Recency Basis				Total Past Due	Total Loans
	Current	30 - 60	61 - 90	Over 90		
0 to 5 months	\$ 71,230,039	\$ 5,951,108	\$ 4,623,660	\$ 8,964,314	\$ 19,539,082	\$ 90,769,121
6 to 17 months	82,107,197	4,404,465	2,715,522	3,824,103	10,944,090	93,051,287
18 to 35 months	88,353,313	3,938,833	2,291,500	3,802,616	10,032,949	98,386,262
36 to 59 months	130,434,185	5,243,182	3,095,509	4,208,989	12,547,680	142,981,865
60+ months	781,405,225	23,009,149	13,282,056	18,475,262	54,766,467	836,171,692
TALs	405,097	147,552	167,215	2,260,530	2,575,297	2,980,394
Total gross loans	1,153,935,056	42,694,289	26,175,462	41,535,814	110,405,565	1,264,340,621
Unearned interest, insurance and fees	(297,011,321)	(7,512,082)	(7,428,947)	(14,262,673)	(29,203,702)	(326,215,023)
Total net loans	\$ 856,923,735	\$ 35,182,207	\$ 18,746,515	\$ 27,273,141	\$ 81,201,863	\$ 938,125,598
Percentage of period-end gross loans receivable		3.4%	2.1%	3.3%	8.8%	

The following table is an aging analysis on a recency basis at amortized cost of the Company's gross loans receivable at March 31, 2025:

<sup>1</sup> Recoveries during the three months ended June 30, 2025 and 2024 include \$2.2 million and \$2.6 million in proceeds related to the recurring sales of charge-offs, respectively. These proceeds are included as a component of Provision for credit losses in the Consolidated Statements of Operations.

Customer Tenure	Days Past Due - Recency Basis					Total Past Due	Total Loans
	Current	30 - 60	61 - 90	Over 90			
0 to 5 months	\$ 77,087,815	\$ 6,036,410	\$ 6,587,901	\$ 12,166,577	\$	24,790,888	\$ 101,878,703
6 to 17 months	65,677,583	3,126,374	2,398,424	4,177,216		9,702,014	75,379,597
18 to 35 months	89,776,541	3,700,216	2,394,549	3,986,095		10,080,860	99,857,401
36 to 59 months	117,976,116	4,641,585	2,917,862	4,693,326		12,252,773	130,228,889
60+ months	758,435,883	21,563,504	13,334,622	20,587,802		55,485,928	813,921,811
TALs	2,772,634	1,504,446	22,376	70,061		1,596,883	4,369,517
Total gross loans	1,111,726,572	40,572,535	27,655,734	45,681,077		113,909,346	1,225,635,918
Unearned interest, insurance and fees	(282,034,628)	(7,588,025)	(7,590,060)	(12,107,391)		(27,285,476)	(309,320,104)
Total net loans	\$ 829,691,944	\$ 32,984,510	\$ 20,065,674	\$ 33,573,686	\$	86,623,870	\$ 916,315,814
Percentage of period-end gross loans receivable							
		3.3 %	2.3 %	3.7 %		9.3 %	

The following table is an aging analysis on a contractual basis at amortized cost of the Company's gross loans receivable at June 30, 2025:

Customer Tenure	Days Past Due - Contractual Basis					Total Past Due	Total Loans
	Current	30 - 60	61 - 90	Over 90			
0 to 5 months	\$ 70,094,293	\$ 5,804,708	\$ 4,600,329	\$ 10,269,791	\$	20,674,828	\$ 90,769,121
6 to 17 months	81,210,729	4,251,037	2,749,149	4,840,372		11,840,558	93,051,287
18 to 35 months	86,554,732	3,892,784	2,464,985	5,473,761		11,831,530	98,386,262
36 to 59 months	128,007,308	5,110,892	3,342,377	6,521,288		14,974,557	142,981,865
60+ months	769,082,092	23,582,116	14,987,008	28,520,476		67,089,600	836,171,692
TALs	297,675	162,706	208,779	2,311,234		2,682,719	2,980,394
Total gross loans	1,135,246,829	42,804,243	28,352,627	57,936,922		129,093,792	1,264,340,621
Unearned interest, insurance and fees	(300,909,104)	(7,976,840)	(6,906,545)	(10,422,534)		(25,305,919)	(326,215,023)
Total net loans	\$ 834,337,725	\$ 34,827,403	\$ 21,446,082	\$ 47,514,388	\$	103,787,873	\$ 938,125,598
Percentage of period-end gross loans receivable							
		3.4%	2.2%	4.6%		10.2 %	

The following table is an aging analysis on a contractual basis at amortized cost of the Company's gross loans receivable at March 31, 2025:

Customer Tenure	Days Past Due - Contractual Basis				Total Past Due	Total Loans
	Current	30 - 60	61 - 90	Over 90		
0 to 5 months	\$ 75,594,279	\$ 6,149,270	\$ 6,896,035	\$ 13,239,119	\$ 26,284,424	\$ 101,878,703
6 to 17 months	64,188,458	3,112,624	2,739,963	5,338,552	11,191,139	75,379,597
18 to 35 months	87,012,982	3,864,242	2,986,200	5,993,977	12,844,419	99,857,401
36 to 59 months	114,388,973	4,869,065	3,611,704	7,359,147	15,839,916	130,228,889
60+ months	742,144,019	23,878,983	17,017,849	30,880,960	71,777,792	813,921,811
TALs	2,746,535	1,492,967	19,812	110,203	1,622,982	4,369,517
Total gross loans	1,086,075,246	43,367,151	33,271,563	62,921,958	139,560,672	1,225,635,918
Unearned interest, insurance and fees	(276,573,216)	(7,561,258)	(9,034,007)	(16,151,623)	(32,746,888)	(309,320,104)
Total net loans	\$ 809,502,030	\$ 35,805,893	\$ 24,237,556	\$ 46,770,335	\$ 106,813,784	\$ 916,315,814
Percentage of period-end gross loans receivable		3.5 %	2.7 %	5.1 %	11.4 %	

The Company elected not to record an allowance for credit losses for accrued interest as outlined in ASC 326-20-30-5A. Loans are placed on nonaccrual status when management determines that the full payment of principal and collection of interest according to contractual terms is no longer likely. The accrual of interest is discontinued when a loan is 61 days or more past the contractual due date. When the interest accrual is discontinued, all unpaid accrued interest is reversed against interest income. While a loan is on nonaccrual status, interest income is recognized only when a payment is received. Once a loan moves to nonaccrual status, it remains in nonaccrual status until it is paid out, charged off or refinanced.

The following table presents unpaid accrued interest reversed against interest income by Customer Tenure for the three months ended June 30, 2025 and 2024:

Customer Tenure	Three months ended June 30,	
	2025	2024
0 to 5 months	\$ (1,424,481)	\$ (1,147,060)
6 to 17 months	(650,344)	(591,258)
18 to 35 months	(515,858)	(767,769)
36 to 59 months	(583,762)	(870,532)
60+ months	(2,758,807)	(2,687,769)
Total	\$ (5,933,252)	\$ (6,064,388)

The following table presents the amortized cost basis of loans on nonaccrual status as of the beginning of the reporting period and the end of the reporting period, as well as interest income recognized on nonaccrual loans for the three months ended June 30, 2025 and 2024:

Nonaccrual Loans Receivable				
Customer Tenure	As of June 30, 2025	As of March 31, 2025	Interest Income Recognized for the three months ended June 30, 2025	Interest Income Recognized for the three months ended June 30, 2024
0 to 5 months	\$ 14,670,640	\$ 19,169,040	\$ 251,599	\$ 198,802
6 to 17 months	7,857,219	8,510,132	246,225	235,464
18 to 35 months	8,611,773	10,024,500	347,700	361,284
36 to 59 months	10,651,874	12,151,649	432,061	471,665
60+ months	47,032,411	52,154,586	1,856,515	1,462,925
Unearned interest, insurance and fees	(20,306,095)	(23,775,911)		
Total	\$ 68,517,822	\$ 78,233,996	\$ 3,134,100	\$ 2,730,140

As of June 30, 2025 and March 31, 2025, there were no loans receivable 61 days or more past due, not on nonaccrual status, and no loans receivable on nonaccrual status with no related allowance for credit losses.



## NOTE 5 – LEASES

### *Accounting Policies and Matters Requiring Management's Judgment*

The Company uses its senior notes payable's effective annual interest rate to determine the discount rate when evaluating leases under Topic 842. Specifically, Management applies its senior notes payable's effective annual interest rate at the end of the prior fiscal year to leases entered into in the following year. For example, the senior notes payable's annual effective interest rate of 9.5% at March 31, 2025 was used as the discount rate when determining the lease type and the present value of lease payments for leases entered into in fiscal 2026.

Based on its historical practice, the Company believes it is reasonably certain to exercise a given option associated with a given office space lease. Therefore, the Company classifies all lease options for office space as “reasonably certain” unless it has specific knowledge to the contrary for a given lease. The Company does not believe it is reasonably certain to exercise any options associated with its office equipment leases.

### *Periodic Disclosures*

The Company's operating leases consist of real estate leases for office space as well as office equipment. Both the branch real estate and office equipment lease terms generally range from three years to five years, and generally contain options to extend which mirror the original terms of the lease.

As of June 30, 2025 and 2024, the Company had no finance leases.

The following table reports information about the Company's lease cost for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,	
	2025	2024
<i>Lease Cost</i>		
Operating lease cost	\$ 6,317,365	\$ 6,179,179
Variable lease cost	954,602	1,088,833
Total lease cost	\$ 7,271,967	\$ 7,268,012

The following table reports other information about the Company's leases for the three months ended June 30, 2025 and 2024:

	Three months ended June 30,	
	2025	2024
<i>Other Lease Information</i>		
Operating cash flows for amounts included in the measurement of lease liabilities — operating leases	\$ 6,257,288	\$ 6,288,260
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 3,282,109	\$ 5,876,619
Weighted average remaining lease term — operating leases	6.4 years	6.7 years
Weighted-average discount rate — operating leases	7.1 %	6.4 %

The aggregate annual lease obligations as of June 30, 2025 are as follows:

		Operating Leases
2026	\$	17,463,672
2027		19,281,360
2028		15,717,240
2029		11,615,907
2030		7,954,500
Thereafter		24,047,027
Total undiscounted lease liability	\$	96,079,706
Imputed interest		18,992,941
Total discounted lease liability	\$	77,086,765

The Company had no leases with related parties as of June 30, 2025 or March 31, 2025.

**NOTE 6 – AVERAGE SHARE INFORMATION**

The following is a summary of the basic and diluted average common shares outstanding:

	Three months ended June 30,	
	2025	2024
<b>Basic:</b>		
Weighted average common shares outstanding (denominator)	5,224,004	5,480,205
<b>Diluted:</b>		
Weighted average common shares outstanding	5,224,004	5,480,205
Dilutive potential common shares	64,639	87,613
Weighted average diluted shares outstanding (denominator)	5,288,643	5,567,818

Under the treasury stock method, options to purchase 163,021 and 259,355 shares of common stock at various prices were outstanding during the three months ended June 30, 2025 and 2024, respectively, but were not included in diluted shares outstanding because the option exercise price exceeded the market value of the shares.

## NOTE 7 – STOCK-BASED COMPENSATION

### *Stock Incentive Plans*

The Company maintains the 2008 Plan, the 2011 Plan and the 2017 Plan for the benefit of certain non-employee directors, officers, and key employees. Under these plans, a total of 3,350,000 shares of authorized common stock have been reserved for issuance pursuant to grants approved by the Compensation Committee. At June 30, 2025, there were a total of 302,532 shares of common stock remaining available for grant under the 2017 Plan. There were no shares of common stock remaining available for grant under the 2008 or 2011 plan at June 30, 2025.

Stock options granted under these plans have a maximum term of 10 years. Service Options and Restricted Stock granted under these plans typically vest in three equal annual installments, beginning on the first anniversary of the grant date, subject to each respective employee's continued employment at the Company through each applicable vesting date or otherwise provided under the terms of the applicable award agreement or applicable employment agreement. The performance vesting conditions associated with Performance Shares and Performance Options are further discussed below within this Note 7 to the Consolidated Financial Statements.

Stock-based compensation is recognized as provided under FASB ASC Topic 718-10 and FASB ASC Topic 505-50. FASB ASC Topic 718-10 requires all share-based payments to employees, including grants of employee stock options, to be recognized as compensation expense over the requisite service period (generally the vesting period) in the consolidated financial statements based on their grant date fair values. Stock-based compensation related to restricted stock is based on the number of shares expected to vest and the fair market value of the common stock on the grant date. Stock-based compensation related to stock option awards is based on the number of shares expected to vest and the estimated fair value of the awards on the grant date using the Black-Scholes valuation model. Under the Black-Scholes valuation method, the assumptions used to determine the fair value are expected volatility, expected life, average risk-free rate, and dividend yield, if any. The expected stock price volatility is based on the historical volatility of the Company's common stock for a period approximating the expected life. The expected life represents the period of time that options are expected to be outstanding after the grant date. The risk-free rate reflects the interest rate at grant date on zero coupon U.S. governmental bonds having a remaining life similar to the expected option term.

### *2018 Long-term Incentive Program and Non-Employee Director Awards*

On October 15, 2018, the Compensation Committee and Board of Directors approved and adopted a long-term incentive program that seeks to motivate and reward certain employees and to align management's interest with shareholders' interest by focusing executives on the achievement of long-term results.

Pursuant to this program, in fiscal 2019, the Compensation Committee approved grants of Service Options, Performance Options, Restricted Stock and Performance Shares under the 2011 Plan and the 2017 Plan to certain employee directors, vice presidents of operations, vice presidents, senior vice presidents, and executive officers. Separately, the Compensation Committee approved certain grants of Service Options and Restricted Stock to certain non-employee directors of the Company.

Under the long-term incentive program, up to 100% of the shares of restricted stock subject to the Performance Shares could have vested, if at all, based on the achievement of two trailing EPS performance targets established by the Compensation Committee that are based on EPS (measured at the end of each calendar quarter, commencing with the calendar quarter ending September 30, 2019) for the previous four calendar quarters. The Performance Shares were eligible to vest over the 2018 Performance Share Measurement Period, subject to each respective employee's continued employment at the Company through the last day of the 2018 Performance Share Measurement Period (or as otherwise provided under the terms of the applicable award agreement or applicable employment agreement).

The Performance Share performance targets are set forth below.

<b>Trailing 4-Quarter EPS Targets for September 30, 2018 through March 31, 2025</b>	<b>Restricted Stock Eligible for Vesting (Percentage of Award)</b>
\$16.35	40%
\$20.45	60%

During the second quarter of fiscal 2025, it was determined that the \$20.45 Performance Share performance target was no longer probable of being achieved and that the \$20.45 Performance Shares would likely be forfeited as of the last day of the performance period in accordance with their terms. As a result and in accordance with ASC 718, the Company reversed

\$18.5 million in previously recognized stock-based compensation related to the \$20.45 Performance Shares during the second quarter of fiscal 2025.

On March 31, 2025, 28% of the unvested \$16.35 Performance Shares, or 34,415 shares, were forfeited, which resulted in a \$3.5 million release of previously recognized stock-based compensation expense, resulting in EPS of \$16.36 per diluted share on a rolling four-quarter basis. Following the forfeiture, the performance target associated with the remaining 72% of the \$16.35 Performance Shares, or 88,497 shares, was achieved, and such shares vested on April 25, 2025 after certification of performance achievement by the Compensation Committee.

The Performance Options could have fully vested if the Company attained the trailing EPS target over four consecutive calendar quarters occurring between September 30, 2018 and March 31, 2025 as described below. Such performance target was established by the Compensation Committee and were measured at the end of each calendar quarter commencing on September 30, 2019. The Performance Options were eligible to vest over the 2018 Performance Option Measurement Period, subject to each respective employee's continued employment at the Company through the last day of the 2018 Performance Option Measurement Period or as otherwise provided under the terms of the applicable award agreement or applicable employment agreement.

<b>Trailing 4-Quarter EPS Targets for September 30, 2018 through March 31, 2025</b>	<b>Options Eligible for Vesting (Percentage of Award)</b>
\$25.30	100%

During the second quarter of fiscal 2024, it was determined that the Performance Option performance target was no longer probable of being achieved and that the Performance Options would likely be forfeited as of the last day of the performance period in accordance with their terms. As a result and in accordance with ASC 718, the Company reversed \$4.9 million in previously recognized stock-based compensation related to these Performance Options during the second quarter of fiscal 2024.

#### ***2024 and 2025 Long-term Incentive Programs and Non-Employee Director Awards***

On December 18, 2024, the Compensation Committee and Board of Directors approved grants of Service Options, Performance Options, Restricted Stock and Performance Shares under the 2017 Plan to certain employee directors, vice presidents, senior vice presidents, and executive officers. Separately, the Compensation Committee approved grants of Restricted Stock to non-employee directors of the Company.

Up to 100% of the shares of restricted stock subject to the 2024 Performance Share awards will vest, if at all, based on the achievement of certain performance goals established by the Compensation Committee related to company operational performance metrics during the 2024 Performance Share Measurement Period, for which achievement must be certified by the Compensation Committee. The 2024 Performance Shares are eligible to vest over the 2024 Performance Share Measurement Period, subject to each respective employee's continued employment at the Company through the last day of the 2024 Performance Share Measurement Period or otherwise provided under the terms of the applicable award agreement or applicable employment agreement.

Up to 100% of the 2024 Performance Options will vest, if at all, based on the achievement of certain performance goals established by the Compensation Committee related to company operational performance metrics during the 2024 Performance Option Measurement Period, for which achievement must be certified by the Compensation Committee. The 2024 Performance Options mainly vest in three equal annual installments, beginning on January 30, 2026, subject to each respective employee's continued employment at the Company through each applicable vesting date or otherwise provided under the terms of the applicable award agreement or applicable employment agreement.

On June 10, 2025, the Compensation Committee and Board of Directors approved grants of Restricted Stock and Performance Shares under the 2017 Plan to certain vice presidents, senior vice presidents, and executive officers. Separately, the Compensation Committee approved grants of Restricted Stock to non-employee directors of the Company.

Up to 100% of the shares of restricted stock subject to the 2025 Performance Share awards will vest, if at all, based on the achievement of a trailing EPS performance target established by the Compensation Committee that is based on EPS for the previous four calendar quarters. The 2025 Performance Shares are eligible to vest over the 2025 Performance Share Measurement Period, subject to each respective employee's continued employment at the Company through the last day of the 2025 Performance Share Measurement Period (or as otherwise provided under the terms of the applicable award agreement or applicable employment agreement).

The 2025 Performance Shares performance target is set forth below.

Trailing 4-Quarter EPS Targets for July 1, 2025 through March 31, 2027	Restricted Stock Eligible for Vesting (Percentage of Award)
\$18.40	100%

### Stock Options

The Company did not grant stock options during the three months ended June 30, 2025.

Option activity for the three months ended June 30, 2025 was as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding, beginning of period	169,154	\$ 111.55		
Exercised during period	(16,360)	95.74		
Forfeited during period	(1,000)	111.64		
Expired during period	(550)	208.68		
Options outstanding, end of period	151,244 <sup>2</sup>	\$ 112.91	5.6 years	\$ 8,145,272
Options exercisable, end of period	111,041	\$ 112.94	4.2 years	\$ 6,042,366

The aggregate intrinsic value reflected in the table above represents the total pre-tax intrinsic value (the difference between the closing stock price on June 30, 2025 and the exercise price, multiplied by the number of in-the-money options that are currently exercisable) that would have been received by option holders had all option holders exercised their options as of June 30, 2025. This amount will change as the market price of the common stock changes. The total intrinsic value and tax benefit of options exercised during the three month periods ended June 30, 2025 and 2024 were as follows:

Three months ended June 30,			
	2025		2024
Intrinsic value of options exercised	\$ 1,000,598	\$	256,797
Tax benefit of options exercised	245,147		62,915

No stock options vested during the three months ended June 30, 2025. As of June 30, 2025, total unrecognized stock-based compensation expense related to non-vested stock options amounted to approximately \$1.3 million, which is expected to be recognized over a weighted-average period of approximately 2.0 years.

### Restricted Stock and Performance Shares

During the first three months of fiscal 2026, the Company granted 175,000 shares of restricted stock (which are equity classified) to certain vice presidents, senior vice presidents, executive officers and non-employee directors with a grant date weighted average fair value of \$157.79 per share.

The total fair value of restricted stock vested during the three months ended June 30, 2025 was \$11,871,873. As of June 30, 2025, there was approximately \$30.5 million of unrecognized compensation cost related to unvested restricted stock awards, which is expected to be recognized over the next 2.1 years based on current estimates.

<sup>2</sup> Of the 151,244 options outstanding, 14,703 are not yet exercisable based solely on fulfilling a service condition and another 25,500 are not yet exercisable based solely on fulfilling performance conditions.

A summary of the status of the Company's restricted stock as of June 30, 2025, and changes during the three months ended June 30, 2025, are presented below:

	Shares	Weighted Average Fair Value at Grant Date
Outstanding at March 31, 2025	159,683	\$ 105.52
Granted during the period	175,000	157.79
Vested during the period	(88,497)	100.60
Outstanding at June 30, 2025	246,186	\$ 144.45

### ***Total Stock-Based Compensation***

Total stock-based compensation included as a component of personnel expenses in the Company's Consolidated Statements of Operations during the three month periods ended June 30, 2025 and 2024 was as follows:

	Three months ended June 30,	
	2025	2024
Stock-based compensation related to equity classified awards:		
Stock-based compensation related to stock options	\$ 275,881	\$ 143,720
Stock-based compensation (reversal) related to restricted stock <sup>3</sup>	2,830,826	(1,207,565)
Total stock-based compensation (reversal) related to equity classified awards	\$ 3,106,707	\$ (1,063,845)

### **NOTE 8 – ACQUISITIONS**

The Company evaluates each set of assets and activities it acquires to determine if the set meets the definition of a business according to FASB ASC Topic 805-10-55. Acquisitions meeting the definition of a business are accounted for as business combinations while all other acquisitions are accounted for as asset purchases.

There was no acquisition activity for the three months ended June 30, 2025 and 2024.

Acquisitions that are accounted for as business combinations typically result in one or more new branches. In such cases, the Company typically retains the existing employees and the branch location from the acquisition. The purchase price is allocated to the tangible assets and intangible assets acquired based upon their estimated fair market values at the acquisition date. The remainder is allocated to goodwill.

Acquisitions that are accounted for as asset purchases are typically limited to acquisitions of loan portfolios. The purchase price is allocated to the tangible assets and intangible assets acquired based upon their estimated fair values at the acquisition date. In an asset purchase, no goodwill is recorded. When the cost of an asset acquisition is less than the fair value of the net assets acquired, the benefit is allocated to nonmonetary long-lived assets acquired on a relative fair value basis. However, any assets for which the subsequent application of GAAP would result in an immediate gain (e.g., financial assets, assets held for sale) are not allocated a portion of the cost below fair value. Any remaining benefit is recorded as a discount on purchase, which is a component of Unearned interest, insurance and fees in the Company's Consolidated Balance Sheets, and is amortized over the life of loans receivable acquired.

The Company's acquisitions include tangible assets (generally loans and furniture and equipment) and intangible assets (generally non-compete agreements, customer lists, and goodwill), both of which are recorded at their fair values, which are estimated pursuant to the processes described below.

<sup>3</sup> The \$(1,207,565) for the three months ended June 30, 2024 represents \$1.8 million in forfeiture credit, offset by \$0.6 million in current period expense.

Acquired loans are valued at the net loan balance. Given the short-term nature of these loans, generally less than twelve months, and that these loans are priced at current rates, management believes the net loan balances approximate their fair value. Under CECL, acquired loans are included in the reserve calculations for all loan types (excluding TALs). Management includes recent acquisition activity compared to historical activity when considering reasonable and supportable forecasts as it relates to assessing the adequacy of the allowance for expected credit losses. The Company did not acquire any loans that would qualify as PCDs during the three months ended June 30, 2025 and 2024.

Furniture and equipment are valued at the specific purchase price as agreed to by both parties at the time of acquisition, which management believes approximates their fair values.

Non-compete agreements are valued at the stated amount paid to the other party for these agreements, which the Company believes approximates their fair values.

Customer lists are valued with a valuation model that utilizes the Company's historical data to estimate the value of any acquired customer lists.

The results of all acquisitions are included in the Company's consolidated financial statements since the respective acquisition date. The pro forma impact of these branches as though they had been acquired at the beginning of the periods presented would not have a material effect on the results of operations as reported.

#### NOTE 9 – INTANGIBLE ASSETS

The following table provides the gross carrying amount and related accumulated amortization of definite-lived intangible assets:

	June 30, 2025			March 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Intangible Asset	Gross Carrying Amount	Accumulated Amortization	Net Intangible Asset
Customer lists	\$ 55,858,615	\$ (49,310,883)	\$ 6,547,732	\$ 55,858,615	\$ (48,489,153)	\$ 7,369,462
Non-compete agreements	10,534,749	(10,518,915)	15,834	10,534,749	(10,509,630)	25,119
Total	\$ 66,393,364	\$ (59,829,798)	\$ 6,563,566	\$ 66,393,364	\$ (58,998,783)	\$ 7,394,581

The estimated amortization expense for intangible assets for future fiscal years ended March 31 is as follows: \$2.4 million for the remainder of 2026; \$2.7 million for 2027; \$0.9 million for 2028; \$0.4 million for 2029; \$0.1 million for 2030; and an aggregate of \$0.1 million for the years thereafter.

#### NOTE 10 – DEBT

##### *Senior Notes Payable; Revolving Credit Facility*

At June 30, 2025, the Company's senior notes payable consisted of a \$580.0 million senior revolving credit facility, which has an accordion feature permitting the maximum aggregate commitments to increase to \$730.0 million provided that certain conditions are met.

At June 30, 2025, \$302.7 million was outstanding under the Company's credit facility, not including \$889.7 thousand in outstanding standby letters of credit, which include (i) \$300.0 thousand related to worker's compensation expiring on December 31, 2025 and (ii) \$589.7 thousand related to the Company's investment in captive insurance expiring on April 12, 2026. Both letters of credit automatically extend for one year on their expiration dates. To the extent that the letter of credit is drawn upon, the disbursement will be funded by the credit facility. There are no amounts due related to the letters of credit as of June 30, 2025. At June 30, 2025, subject to a borrowing base formula, the Company may borrow at the rate of one month SOFR plus 0.10% and an applicable margin of 3.5% with a minimum rate of 4.5%. The revolving credit facility has a commitment fee of 0.50% per annum on the unused portion of the commitment. Commitment fees on the unused portion of the borrowing totaled \$0.4 million and \$0.5 million for the three months ended June 30, 2025 and 2024, respectively.



For the three months ended June 30, 2025 and fiscal year ended March 31, 2025, the Company's effective interest rate, including the commitment fee and amortization of debt issuance costs, was 8.7% annualized and 9.5%, respectively. At June 30, 2025, the unused amount available under the revolving credit facility was \$276.4 million and borrowings under the revolving credit facility had a maturity date of June 7, 2026.

At June 30, 2025, substantially all of the Company's assets were pledged as collateral for borrowings under the revolving credit agreement.

On July 22, 2025, the Company terminated this credit facility and entered into a new revolving credit facility. Refer to Note 13 to the Consolidated Financial Statements for information regarding the Company's Revolving Credit Agreement.

### ***Senior Unsecured Notes Payable***

On September 27, 2021, we issued \$300 million in aggregate principal amount of 7.0% senior notes due November 2026 (the "Notes"). The Notes were sold in a private placement in reliance on Rule 144A and Regulation S under the Securities Act of 1933, as amended (the "Securities Act"). The Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by all of the Company's existing and certain of its future subsidiaries that guarantee the revolving credit facility. Interest on the Notes is payable semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2022. At any time prior to November 1, 2023, the Company could have redeemed the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium, as described in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. At any time on or after November 1, 2023, the Company may redeem the Notes at redemption prices set forth in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. In addition, at any time prior to November 1, 2023, the Company could have used the proceeds of certain equity offerings to redeem up to 40.0% of the aggregate principal amount of the Notes issued under the indenture at a redemption price equal to 107.0% of the principal amount of Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

We used the net proceeds from this offering to repay a portion of the outstanding indebtedness under our revolving credit facility and for general corporate purposes.

During the three months ended June 30, 2025, the Company repurchased and extinguished \$15.5 million of its Notes, net of \$0.1 million unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of \$15.5 million.

During fiscal 2025, the Company repurchased and extinguished \$89.0 million of its Notes, net of \$0.6 million unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of \$88.0 million.

For the three months ended June 30, 2025 and 2024, the Company recognized a \$43.0 thousand loss and an \$0.8 million gain on extinguishment, respectively. In accordance with ASC 470, the Company recognized the gain and loss on extinguishments as a component of interest expense in the Company's Consolidated Statements of Operations.

### ***Debt Covenants***

As of June 30, 2025, the agreement governing the Company's revolving credit facility contains affirmative and negative covenants, including covenants that generally restrict the ability of the Company and its subsidiaries to, among other things, incur or guarantee indebtedness, incur liens, pay dividends and repurchase or redeem capital stock, dispose of assets, engage in mergers and consolidations, make acquisitions or other investments, redeem or prepay subordinated debt, amend subordinated debt documents, make changes in the nature of its business, and engage in transactions with affiliates. The agreement allows the Company to incur subordinated debt that matures after the termination date for the revolving credit facility and that contains specified subordination terms, subject to limitations on amount imposed by the financial covenants under the agreement. The agreement's financial covenants include (i) a minimum consolidated net worth of \$325.0 million; (ii) a maximum ratio of total debt to consolidated adjusted net worth of 2.25 to 1.0 as of the end of each fiscal quarter; (iii) a maximum collateral performance indicator of 26.0% as of the end of each calendar month; and (iv) a minimum fixed charges coverage ratio of 2.25 to 1.0 for each fiscal quarter, where the ratio for the most recent four consecutive fiscal quarters must be at least 2.0 to 1.0 in order for the Company to declare dividends or purchase any class or series of its capital stock or other equity.

The collateral performance indicator is equal to the sum of (a) a three-month rolling average rate of receivables at least sixty days past due and (b) an eight-month rolling average net charge-off rate.

The Company was in compliance with these covenants at June 30, 2025 and does not believe that these covenants will materially limit its business and expansion strategy.

The agreement contains events of default including, without limitation, nonpayment of principal, interest or other obligations, violation of covenants, misrepresentation, cross-default to other debt, bankruptcy and other insolvency events, judgments, certain ERISA events, actual or asserted invalidity of loan documentation, invalidity of subordination provisions of subordinated debt, certain changes of control of the Company, and the occurrence of certain regulatory events, (including the entry of any stay, order, judgment, ruling or similar event related to the Company's or any of its subsidiaries' originating, holding, pledging, collecting or enforcing its eligible loans receivable that is material to the Company or any subsidiary) which remains unvacated, undischarged, unbonded or unstayed by appeal or otherwise for a period of 60 days from the date of its entry and is reasonably likely to cause a material adverse change.

The indenture governing the Notes contains certain covenants that, among other things, limit the Company's ability and the ability of its restricted subsidiaries to (i) incur additional indebtedness or issue certain disqualified stock and preferred stock; (ii) pay dividends or distributions or redeem or purchase capital stock; (iii) prepay subordinated debt or make certain investments; (iv) transfer and sell assets; (v) create or permit to exist liens; (vi) enter into agreements that restrict dividends, loans and other distributions from their subsidiaries; (vii) engage in a merger, consolidation or sell, transfer or otherwise dispose of all or substantially all of their assets; and (viii) engage in transactions with affiliates. However, these covenants are subject to a number of important detailed qualifications and exceptions.

### ***Debt Maturities***

The aggregate annual maturities of the Company's debt arrangements for future fiscal years ended March 31 are as follows:

	Amount
Remainder of 2026	\$ —
2027	472,499,702
2028	—
2029	—
2030	—
Thereafter	—
Total future debt payments	<u>\$ 472,499,702</u>

### **NOTE 11 – INCOME TAXES**

As of June 30, 2025 and March 31, 2025, the Company had \$1.7 million and \$1.1 million of total gross unrecognized tax benefits, including interest, respectively. Of these totals, approximately \$1.4 million and \$0.9 million, respectively, represents the amount of net unrecognized tax benefits that are permanent in nature and, if recognized, would affect the annual effective tax rate. At June 30, 2025, approximately \$0.8 million of gross unrecognized tax benefits are expected to be resolved during the next twelve months through the expiration of the statute of limitations and settlement with taxing authorities. The Company's continuing practice is to recognize interest and penalties related to income tax matters in income tax expense. The Company had approximately \$582.5 thousand accrued for gross interest as of June 30, 2025, and accrued \$240.8 thousand during the three months ended June 30, 2025.

Investment in HTC was \$20.6 million and \$15.9 million as of June 30, 2025 and March 31, 2025, respectively, which is included as a component of Other assets, net in the Consolidated Balance Sheets. The Company recognized net amortization from these investments of \$3.4 million and \$4.1 million during the three months ended June 30, 2025 and 2024, respectively, in income tax expense. The Company recognized tax benefits from these investments of \$3.8 million and \$4.5 million for the three months ended June 30, 2025 and 2024, respectively, in income tax expense and in Income taxes payable in the Consolidated Statements of Cash Flows. The Company did not recognize any non-tax related activity or have any significant modifications in the investments during the current period.

The Company is subject to U.S. income taxes, as well as taxes in various other state and local jurisdictions. With the exception of a few states, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2021, although carryforward attributes that were generated prior to 2021 may still be adjusted upon examination by the taxing authorities if they either have been or will be used in a future period.

The Company's effective income tax rate increased to 30.9% for the three months ended June 30, 2025 compared to 23.1% for the prior year quarter. The Company finalized a settlement with various taxing authorities that resulted in an increase in the reserve under ASC 740-10 (unrecognized tax positions) which is treated as a discrete item in the current quarter, along with a decrease in pretax book income relative to an increase in disallowed executive compensation under Section 162(m) in the current quarter. This was partially offset by the permanent tax benefit related to nonqualified stock option exercises and vesting of restricted stock treated as discrete items in the current quarter.

#### NOTE 12 – COMMITMENTS AND CONTINGENCIES

From time to time the Company is involved in litigation matters relating to claims arising out of its operations in the normal course of business.

Estimating an amount or range of possible losses resulting from litigation, government actions and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve fines, penalties or damages that are discretionary in amount, involve a large number of claimants or significant discretion by regulatory authorities, represent a change in regulatory policy or interpretation, present novel legal theories, are in the early stages of the proceedings, are subject to appeal or could result in a change in business practices. In addition, because most legal proceedings are resolved over extended periods of time, potential losses are subject to change due to, among other things, new developments, changes in legal strategy, the outcome of intermediate procedural and substantive rulings and other parties' settlement posture and their evaluation of the strength or weakness of their case against us. For these reasons, we are currently unable to predict the ultimate timing or outcome of, or reasonably estimate the possible

losses or a range of possible losses resulting from, any currently pending claims. Based on information currently available, the Company does not believe that any reasonably possible losses arising from currently pending legal matters will be material to the Company's results of operations or financial conditions. However, in light of the inherent uncertainties involved in such matters, an adverse outcome in one or more of these matters could materially and adversely affect the Company's financial condition, results of operations or cash flows in any particular reporting period.

#### NOTE 13 – SUBSEQUENT EVENTS

##### *The One Big Beautiful Bill Act*

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted. The OBBBA includes provisions such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates beginning in 2025. The Company is currently evaluating the potential tax implications of the OBBBA; however, based upon our preliminary assessment, we do not expect the legislation to have a material impact on our consolidated financial statements and related disclosures.

##### *Revolving Credit Facility*

On July 22, 2025, the Company entered into a three-year senior secured asset-based credit facility pursuant to a Revolving Credit Agreement (the "Revolving Credit Agreement"), by and among the Company, the lenders named therein (the "Lenders"), and Bank of Montreal, as Administrative Agent and Collateral Agent.

The Revolving Credit Agreement replaces the Company's Amended and Restated Revolving Credit Agreement, dated as of June 7, 2019, among the Company, the lenders named therein, and Wells Fargo Bank, National Association, as Administrative Agent and Collateral Agent (as amended, the "Prior Credit Agreement"). The Revolving Credit Agreement provides, among other things, aggregate commitments of the Lenders of \$640.0 million, with an accordion feature that can increase the aggregate commitments by \$150.0 million (for a total commitment, if the full accordion is borrowed, of \$790.0 million).

##### *Termination of Amended and Restated Revolving Credit Facility*

On July 22, 2025, in connection with entry into the Revolving Credit Agreement, the Company terminated the Prior Credit Agreement. The Prior Credit Agreement was scheduled to mature on June 7, 2026 and provided revolving loans in an aggregate commitment of up to \$730.0 million. Refer to Note 10 to the Consolidated Financial Statements for information regarding the Company's Prior Credit Agreement.

##### *Note Redemption*

On July 22, 2025, an irrevocable notice of full redemption (the “Notice”) of the Notes was delivered to the holders of the Notes. The Notice calls for the redemption of all of the outstanding Notes (the “Redemption”) on August 29, 2025 (the “Redemption Date”) at a redemption price equal to 101.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to, but not including, the Redemption Date. The aggregate principal amount of the outstanding Notes is \$168.3 million. The Redemption is being made in accordance with the terms and conditions of the Notes and the indenture governing the Notes.

*Share Repurchase Program*

On July 22, 2025, the Company’s Board of Directors approved a share repurchase program authorizing the Company to repurchase up to \$100.0 million of its outstanding common stock inclusive of any amount that remains available for repurchase under prior repurchase authorizations.

Management is not aware of any other significant events occurring subsequent to the balance sheet date that would have a material effect on the financial statements thereby requiring adjustment or disclosure.

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

***Cautionary Note Regarding Forward-Looking Information***

This report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains various "forward-looking statements," within the meaning of The Private Securities Litigation Reform Act of 1995, that are based on management's beliefs and assumptions, as well as information currently available to management. Statements other than those of historical fact, including those identified by words such as "anticipate," "estimate," "intend," "plan," "expect," "project," "believe," "may," "will," "should," "would," "could," "continue," "probable," "forecast," and any variation of the foregoing and similar expressions, are forward-looking statements. Although the Company believes that the expectations reflected in any such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Any such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual financial results, performance or financial condition may vary materially from those anticipated, estimated or expected. Therefore, you should not rely on any of these forward-looking statements.

Among the key factors that could cause our actual financial results, performance or condition to differ from the expectations expressed or implied in such forward-looking statements are the following: recently enacted, proposed or future legislation and the manner in which it is implemented, including pursuant to policies of the new U.S. administration; changes in the U.S. tax code; the nature and scope of regulatory authority, particularly discretionary authority, that is or may be exercised by regulators, including, but not limited to, the U.S. Consumer Financial Protection Bureau, and individual state regulators having jurisdiction over the Company; the unpredictable nature of regulatory examinations, proceedings and litigation; employee misconduct or misconduct by third parties; uncertainties associated with management turnover and the effective succession of senior management; media and public characterization of consumer installment loans; labor unrest; the impact of changes in accounting rules and regulations, or their interpretation or application, which could materially and adversely affect the Company's reported consolidated financial statements or necessitate material delays or changes in the issuance of the Company's audited consolidated financial statements; the Company's assessment of its internal control over financial reporting; changes in interest rates; the impact of inflation; risks relating to the acquisition or sale of assets or businesses or other strategic initiatives, including increased loan delinquencies or net charge-offs, the loss of key personnel, integration or migration issues, the failure to achieve anticipated synergies, increased costs of servicing, incomplete records, and retention of customers; risks inherent in making loans, including repayment risks and value of collateral; cybersecurity threats or incidents, including the potential or actual misappropriation of assets or sensitive information, corruption of data or operational disruption and the costs of the associated response thereto; our dependence on debt and the potential impact of limitations in the Company's amended revolving credit facility or other impacts on the Company's ability to borrow money on favorable terms, or at all; the timing and amount of revenues that may be recognized by the Company; changes in current revenue and expense trends (including trends affecting delinquency and charge-offs); the impact of extreme weather events and natural disasters; changes in the Company's markets and general changes in the economy (particularly in the markets served by the Company).

These and other risks are discussed in more detail in Part I, Item 1A "Risk Factors" in the Company's fiscal 2025 Annual Report, and in the Company's other reports filed with, or furnished to, the SEC from time to time. The Company does not undertake any obligation to update any forward-looking statements it may make, except to the extent required by law.

***Results of Operations***

The following table sets forth certain information derived from the Company's Consolidated Statements of Operations and Consolidated Balance Sheets (unaudited), as well as operating data and ratios, for the periods indicated:

	Three months ended June 30,	
	2025	2024
	(Dollars in thousands)	
Gross loans receivable	\$ 1,264,341	\$ 1,274,819
Average gross loans receivable <sup>(1)</sup>	1,239,483	1,270,677
Net loans receivable <sup>(2)</sup>	938,126	944,485
Average net loans receivable <sup>(3)</sup>	922,484	942,603
Expenses as a percentage of total revenue:		
Provision for credit losses	38.1 %	35.1 %
General and administrative	53.1 %	47.4 %
Interest expense	7.3 %	7.5 %
Operating income as a % of total revenue <sup>(4)</sup>	8.7 %	17.5 %
Loan volume <sup>(5)</sup>	\$ 751,502	\$ 682,197
Net charge-offs as percent of average net loans receivable on an annualized basis	19.4 %	16.4 %
Return on average assets (trailing 12 months)	7.7 %	7.1 %
Return on average equity (trailing 12 months)	19.0 %	18.9 %
Branches opened or acquired (merged or closed), net	(10)	(1)
Branches open (at period end)	1,014	1,047

<sup>(1)</sup> Average gross loans receivable has been determined by averaging month-end gross loans receivable over the indicated period, excluding TALs.

<sup>(2)</sup> Net loans receivable is defined as gross loans receivable less unearned interest and deferred fees.

<sup>(3)</sup> Average net loans receivable has been determined by averaging month-end gross loans receivable less unearned interest and deferred fees over the indicated period, excluding TALs.

<sup>(4)</sup> Operating income is computed as total revenue less provision for credit losses and general and administrative expenses.

<sup>(5)</sup> Loan volume includes all loan balances originated by the Company. It does not include loans purchased through acquisitions.

### ***Comparison of three months ended June 30, 2025 versus three months ended June 30, 2024***

Gross loans outstanding decreased to \$1.26 billion as of June 30, 2025, a 0.8% decrease from the \$1.27 billion of gross loans outstanding as of June 30, 2024, which is a substantial improvement from the 4.0% year over year decrease as of March 31, 2025. During the most recent quarter, gross loans outstanding increased sequentially 3.2%, or \$38.7 million, from \$1.23 billion as of March 31, 2025, compared to a decrease of 0.2%, or \$2.3 million, in the comparable quarter of the prior year. During the most recent quarter, our new, former and current customer borrowing increased when comparing the same quarter of fiscal 2025. Specifically, during the quarter, new, former and refinance customer loan volume increased 30.8%, 6.3% and 9.6%, respectively, compared to the same quarter of fiscal 2025. Our customer base increased by 4.0% during the twelve-month period ended June 30, 2025, compared to a decrease of 2.6% for the comparable period ended June 30, 2024. During the three months ended June 30, 2025 our unique borrowers increased by 0.8% compared to an increase of 0.5% during the three months ended June 30, 2024.

Net income for the three months ended June 30, 2025 decreased to \$1.3 million, a 86.5% decrease from net income of \$9.9 million for the same period of the prior year. Operating income, which is revenue less provision for credit losses and general and administrative expenses, decreased by \$11.1 million, or 49.0%, compared to the same period of the prior year.

Revenues for the three months ended June 30, 2025 increased by \$2.9 million, or 2.3%, to \$132.5 million from \$129.5 million for the same period of the prior year. Interest and fee income for the three months ended June 30, 2025 increased by \$4.1 million, or 3.7%, from the same period of the prior year mostly due to an increase in interest yields.

Insurance and other income for the three months ended June 30, 2025 decreased by \$1.2 million, or 6.6%, from the same period of the prior year. Insurance income decreased by approximately \$1.4 million, or 10.8%, during the three months ended June 30, 2025 when compared to the three months ended June 30, 2024. Insurance commissions decreased primarily due to a decrease in loans where our insurance products are available to our customer. The large loan portfolio decreased from 54.5% of the overall portfolio as of June 30, 2024, to 46.6% as of June 30, 2025. Other income increased \$0.2 million, or 3.4%, to \$5.6 million in the first quarter of fiscal 2026, compared to \$5.4 million in the first quarter of fiscal 2025. Revenues from our tax return preparation business increased by \$0.4 million, or 21.6%, in the first quarter of fiscal 2026, compared to the first quarter of fiscal 2025 due to an increase in our average preparation fee.

The provision for credit losses increased \$5.1 million, or 11.2%, to \$50.5 million from \$45.4 million when comparing the first quarter of fiscal 2026 to the first quarter of fiscal 2025. The table below itemizes the key components of the CECL allowance and provision impact during the quarter.

CECL Allowance and Provision (Dollars in millions)	Q1 FY 2026	Q1 FY 2025	Difference	Reconciliation
Beginning Allowance - March 31	\$103.4	\$103.0	\$0.4	
Change due to Growth	\$3.3	\$(0.2)	\$3.5	\$3.5
Change due to Expected Loss Rate on Performing Loans	\$5.7	\$6.8	\$(1.1)	\$(1.1)
Change due to 90 day past due	\$(3.3)	\$0.1	\$(3.4)	\$(3.4)
Ending Allowance - June 30	\$109.1	\$109.7	\$(0.6)	\$(1.0)
Net Charge-offs	\$44.8	\$38.7	\$6.1	\$6.1
Provision	\$50.5	\$45.4	\$5.1	\$5.1

*Note: The change in allowance for the quarter plus net charge-offs for the quarter equals the provision for the quarter (see above reconciliation).*

The provision was negatively impacted by growth, a seasonality adjustment that occurs in the first quarter of each fiscal year, and net charge-offs. The improved quarter over quarter growth resulted in a \$3.5 million increase in the provision. The seasonality adjustment negatively impacted the provision by approximately \$5.0 million. As a reminder, the seasonality adjustment that occurs in the first quarter is removed in the December quarter due to the benefit of tax refunds that occurs in the March quarter. There was also a \$1.0 million increase in our tax advance loans reserve during the quarter. This increase in reserve should be isolated to the first quarter.

Net charge-offs for the quarter increased \$6.1 million, from \$38.7 million in the first quarter of fiscal 2025 to \$44.8 million in the first quarter of fiscal 2026. Net charge-offs as a percentage of average net loan receivables on an annualized basis increased to 19.4% in the first quarter of fiscal 2026 from 16.4% in the first quarter of fiscal 2025.

The Company's allowance for credit losses as a percentage of net loans was 11.6% at each of June 30, 2025 and June 30, 2024. Accounts that were 61 days or more past due on a recency basis decreased to 5.4% at June 30, 2025 compared to 5.6% at June 30, 2024.

We experienced an improvement in recency delinquency on accounts at least 90 days past due, improving from 3.4% at June 30, 2024, to 3.3% at June 30, 2025.

G&A expenses for the three months ended June 30, 2025 increased by \$8.9 million, or 14.6%, from the corresponding period of the previous year. As a percentage of revenues, G&A expenses increased from 47.4% during the three months ended June 30, 2024 to 53.1% during the three months ended June 30, 2025. G&A expenses per average open branch increased by 17.6% when comparing the two three-month periods. The change in G&A expense is explained in greater detail below.

**Personnel** expense totaled \$45.8 million for the three months ended June 30, 2025, a \$8.8 million, or 23.8%, increase over the three months ended June 30, 2024. Salary expense increased approximately \$1.1 million, or 3.6%, during the quarter ended June 30, 2025, compared to the quarter ended June 30, 2024. Our headcount as of June 30, 2025 decreased 1.4% compared to June 30, 2024. Benefit expense increased approximately \$2.2 million, or 31.7%, when comparing the quarterly periods ended June 30, 2025 and 2024. The increase in benefit expense is primarily the result of several large health claims experienced during the quarter. Incentive expense increased \$5.7 million in the first quarter of fiscal 2026 compared to the first quarter of fiscal 2025. The increase in incentive expense is primarily due to

a \$4.2 million increase in share based compensation expense and a \$1.6 million increase in field bonus expense. Share based compensation expense increased due to share grants in December of 2024 and June of 2025. The prior year quarter also included a \$1.8 million reversal of share based compensation expense related to the retirement of an officer.

**Occupancy and equipment** expense totaled \$11.8 million for the three months ended June 30, 2025, a \$0.4 million, or 3.1%, decrease over the three months ended June 30, 2024. Occupancy and equipment expense is generally a function of the number of branches the Company has open throughout the period. For the three months ended June 30, 2025, the average open branches decreased 2.6% compared to the three months ended June 30, 2024.

**Advertising** expense increased \$0.6 million, or 38.8%, in the first quarter of fiscal 2026 compared to the first quarter of fiscal 2025 due to increased spending on customer acquisition programs.

**Amortization of intangible assets** totaled \$0.8 million for the three months ended June 30, 2025, a \$0.2 million, or 17.4%, decrease over the three months ended June 30, 2024.

**Other** expense totaled \$9.7 million for the three months ended June 30, 2025, a \$0.1 million, or 0.8%, increase over the three months ended June 30, 2024.

Interest expense for the three months ended June 30, 2025 decreased by \$0.1 million, or 1.4%, from the corresponding three months of the previous year. The decrease in interest expense was due to a 7.2% decrease in the average debt outstanding from \$491.6 million to \$456.2 million and a 2.7% decrease in the effective interest rate from 8.6% to 8.3%. The Company's debt-to-equity ratio decreased from 1.2:1 at June 30, 2024 to 1.1:1 at June 30, 2025. The Company repurchased and extinguished \$15.6 million of its Notes, net of \$0.1 million unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of \$15.5 million during the third quarter of fiscal 2025.

Other key return ratios for the three months ended June 30, 2025 included a 7.7% return on average assets and a return on average equity of 19.0% (both on a trailing 12-month basis), as compared to a 7.1% return on average assets and a return on average equity of 18.9% (both on a trailing 12-month basis) for the three months ended June 30, 2024.

The Company's effective income tax rate increased to 30.9% for the three months ended June 30, 2025 compared to 23.1% for the corresponding period of the previous year. The Company finalized a settlement with various taxing authorities that resulted in an increase in the reserve under ASC 740-10 (unrecognized tax positions) which is treated as a discrete item in the current quarter, along with a decrease in pretax book income relative to an increase in disallowed executive compensation under Section 162(m) in the current quarter. This was partially offset by the permanent tax benefit related to nonqualified stock option exercises and vesting of restricted stock treated as discrete items in the current quarter.

## **Regulatory Matters**

### **CFPB Rulemaking Initiatives**

On October 5, 2017, the CFPB issued a final rule (the "Rule") imposing limitations on (i) short-term consumer loans, (ii) longer-term consumer installment loans with balloon payments, and (iii) higher-rate consumer installment loans repayable by a payment authorization. The Rule originally required lenders originating short-term loans and longer-term balloon payment loans to evaluate whether each consumer has the ability to repay the loan along with current obligations and expenses ("ability to repay requirements"); however, the ability to repay requirements was rescinded in July 2020. The Rule also curtails repeated unsuccessful attempts to debit consumers' accounts for short-term loans, balloon payment loans, and installment loans that involve a payment authorization and an annual percentage rate over 36% ("payment requirements"). Implementation of the Rule's payment requirements may require changes to the Company's practices and procedures for such loans, which could materially and adversely affect the Company's ability to make such loans, the cost of making such loans, the Company's ability to, or frequency with which it could, refinance any such loans, and the profitability of such loans.

In July 2020, the CFPB rescinded provisions of the Rule governing the ability to repay requirements. The payment requirements were scheduled to take effect in June 2022. However, on October 19, 2022, a three-judge panel of the U.S. Court of Appeals for the Fifth Circuit ruled, in *Community Financial Services Association of America v. Consumer Financial Protection Bureau*, that the funding mechanism for the CFPB violates the appropriations clause of the U.S. Constitution, and as a result, vacated the Rule. On October 3, 2023, the U.S. Supreme Court held oral argument to decide the constitutionality of the CFPB's funding mechanism. On May 16, 2024, the Supreme Court held that the funding mechanism for the CFPB complies with the appropriations clause of the U.S. Constitution, reversing the judgment of the Court of Appeals, and remanding the cause for further proceedings. Subsequently, the U.S. Court of Appeals for the Fifth Circuit set March 30, 2025 as the effective



date of the Rule. On March 28, 2025, the CFPB announced that it will not prioritize enforcement or supervision of the remaining provisions of the Rule, which took effect on March 30, 2025. Accordingly, the Company will have to comply with the Rule's payment requirements if it continues to allow consumers to set up future recurring payments online for certain covered loans such that it meets the definition of having a "leveraged payment mechanism" under the Rule. If the payment provisions of the Rule apply, the Company will have to modify its loan payment procedures to comply with the required notices and mandated timeframes set forth in the final rule.

The CFPB also has stated that it expects to conduct separate rulemaking to identify larger participants in the installment lending market for purposes of its supervision program. This initiative was classified as "inactive" on the CFPB's Spring 2018 rulemaking agenda and has remained inactive since, but the CFPB indicated that such action was not a decision on the merits. Though the likelihood and timing of any such rulemaking is uncertain, the Company believes that the implementation of such rules would likely bring the Company's business under the CFPB's supervisory authority which, among other things, would subject the Company to reporting obligations to, and on-site compliance examinations by, the CFPB. In addition, even in the absence of a "larger participant" rule, the CFPB has the power to order individual nonbank financial institutions to submit to supervision where the CFPB has reasonable cause to determine that the institution is engaged in "conduct that poses risks to consumers" under 12 USC 5514(a)(1)(C). In 2022, the CFPB announced that it had begun using this "dormant authority" to examine nonbank entities and the CFPB is attempting to expand the number of nonbank entities it currently supervises. Specifically, the CFPB previously notified the Company that it was seeking to establish such supervisory authority over the Company. Since then, the CFPB issued a public designation order setting forth its determination that the Company has met the legal requirements for supervision (the "Order"). Pursuant to the terms of the Order, the CFPB has supervisory authority over the Company pursuant to section 1024(a)(1)(C) of the Consumer Financial Protection Act of 2010 until such time as the Order is terminated consistent with 12 C.F.R. 1091.113. Importantly, on May 12, 2025, the CFPB withdrew the Order, indicating that the CFPB "is shifting its supervisory priorities to focus on pressing threats to consumers" and that supervision of the Company "is not consistent with these priorities."

See Part I, Item 1, "Business Government Regulation Federal legislation," for a further discussion of these matters and the federal regulations to which the Company's operations are subject and Part I, Item 1A, "Risk Factors," in each case, in the Company's fiscal 2025 Annual Report for more information regarding these regulatory and related risks.

### ***Liquidity and Capital Resources***

The Company has historically financed and continues to finance its operations, acquisitions and branch expansion primarily through a combination of cash flows from operations and borrowings from its institutional lenders. As discussed below, the Company has also issued debt securities to finance its operations and repay a portion of its outstanding indebtedness. The Company has generally applied its cash flows from operations to fund its loan volume, fund acquisitions, repay long-term indebtedness, and repurchase its common stock. Net cash provided by operating activities for the three months ended June 30, 2025 was \$58.2 million.

The Company believes that attractive opportunities to acquire new branches or receivables from its competitors or to acquire branches in communities not currently served by the Company will continue to become available as conditions in local economies and the financial circumstances of owners change.

On September 27, 2021, we issued \$300 million in aggregate principal amount of 7.0% senior notes due November 2026. The Notes were sold in a private placement in reliance on Rule 144A and Regulation S under the Securities Act. The Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by all of the Company's existing and certain of its future subsidiaries that guarantee the revolving credit facility. Interest on the Notes is payable semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2022. At any time prior to November 1, 2023, the Company could have redeemed the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium, as described in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. At any time on or after November 1, 2023, the Company may redeem the Notes at redemption prices set forth in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. In addition, at any time prior to November 1, 2023, the Company could have used the proceeds of certain equity offerings to redeem up to 40% of the aggregate principal amount of the Notes issued under the indenture at a redemption price equal to 107.0% of the principal amount of Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

We used the net proceeds from this offering to repay a portion of the outstanding indebtedness under our revolving credit facility and for general corporate purposes.

During the three months ended June 30, 2025, the Company repurchased and extinguished \$15.5 million of its Notes, net of \$0.1 million unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of \$15.5 million.

During fiscal 2025, the Company repurchased and extinguished \$89.0 million of its Notes, net of \$0.6 million unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of \$88.0 million.

For the three months ended June 30, 2025 and 2024, the Company recognized a \$43.0 thousand loss and an \$0.8 million gain on extinguishment, respectively. In accordance with ASC 470, the Company recognized the gain and loss on extinguishments as a component of interest expense in the Company's Consolidated Statements of Operations.

The indenture governing the Notes contains certain covenants that, among other things, limit the Company's ability and the ability of its restricted subsidiaries to (i) incur additional indebtedness or issue certain disqualified stock and preferred stock; (ii) pay dividends or distributions or redeem or purchase capital stock; (iii) prepay subordinated debt or make certain investments; (iv) transfer and sell assets; (v) create or permit to exist liens; (vi) enter into agreements that restrict dividends, loans and other distributions from their subsidiaries; (vii) engage in a merger, consolidation or sell, transfer or otherwise dispose of all or substantially all of their assets; and (viii) engage in transactions with affiliates. However, these covenants are subject to a number of important detailed qualifications and exceptions.

On July 22, 2025, the Company delivered an irrevocable notice of redemption to the holders of the Notes for the redemption of all of the outstanding Notes (the "Redemption") on August 29, 2025 (the "Redemption Date") at a redemption price equal to 101.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to but not including, the Redemption Date.

The Company continues to believe stock repurchases are a viable component of the Company's long-term financial strategy and an excellent use of excess cash when the opportunity arises. However, as of June 30, 2025, our revolving credit facility and the Notes limit share repurchases to up to 50% of consolidated adjusted net income for the period commencing January 1, 2019. As of June 30, 2025, we could repurchase approximately \$7.2 million of shares under the terms of our senior unsecured notes payable. Additional share repurchases could be made subject to compliance with, among other things, applicable restricted payment covenants under the revolving credit facility and the Notes. On July 22, 2025, the Company's Board of Directors approved a new share repurchase program authorizing the Company to repurchase up to \$100.0 million of its outstanding common stock inclusive of any amount that remains available for repurchase under prior repurchase authorizations.

As of June 30, 2025, the Company had a revolving credit facility with a syndicate of banks. The revolving credit facility provided for revolving borrowings of up to the lesser of (a) the aggregate commitments under the facility and (b) a borrowing base, and it includes \$889.7 thousand in outstanding standby letters of credit.

Subject to a borrowing base formula, the Company could borrow at the rate of one month SOFR plus 0.10% and an applicable margin of 3.5% with a minimum rate of 4.5%. At June 30, 2025, the aggregate commitments under the revolving credit facility were \$580.0 million. The Company had \$889.7 thousand in outstanding standby letters of credit which include (i) \$300.0 thousand related to worker's compensation expiring on December 31, 2025 and (ii) \$589.7 thousand related to the Company's investment in captive insurance expiring on April 12, 2026. Both letters of credit automatically extend for one year on their expiration dates. The borrowing base limitation was equal to the product of (a) the Company's eligible finance receivables, less unearned finance charges, insurance premiums and insurance commissions applicable to such eligible finance receivables, and (b) an advance rate percentage that ranges from 70% to 80% based on a collateral performance indicator, as more completely described below. Further, under the amended and restated revolving credit agreement, the administrative agent had the right to set aside reasonable reserves against the available borrowing base in such amounts as it may deem appropriate, including, without limitation, reserves with respect to certain regulatory events or any increased operational, legal, or regulatory risk of the Company and its subsidiaries.

For the three months ended June 30, 2025 and fiscal year ended March 31, 2025, the Company's effective interest rate, including the commitment fee and amortization of debt issuance costs, as it relates to the revolving credit facility was 8.7% annualized and 9.5%, respectively. At June 30, 2025, the unused amount available under the revolving credit facility was \$276.4 million. Borrowings under the revolving credit facility had a maturity date of June 7, 2026.

The Company's obligations under the revolving credit facility, together with treasury management and hedging obligations owing to any lender under the revolving credit facility or any affiliate of any such lender, are required to be guaranteed by each of the Company's wholly-owned domestic subsidiaries. The obligations of the Company and the subsidiary guarantors under the revolving credit facility, together with such treasury management and hedging obligations, are secured by a first-priority security interest in substantially all assets of the Company and the subsidiary guarantors.

As of June 30, 2025, the agreement governing the Company's revolving credit facility contains affirmative and negative covenants, including covenants that restrict the ability of the Company and its subsidiaries to, among other things, incur or guarantee indebtedness, incur liens, pay dividends and repurchase or redeem capital stock, dispose of assets, engage in mergers and consolidations, make acquisitions or other investments, redeem or prepay subordinated debt, amend subordinated debt documents, make changes in the nature of its business, and engage in transactions with affiliates. The agreement allows the Company to incur subordinated debt that matures after the termination date for the revolving credit facility and that contains specified subordination terms, subject to limitations on amount imposed by the financial covenants under the agreement. The agreement's financial covenants include (i) a minimum consolidated net worth of \$325 million; (ii) a maximum ratio of total debt to consolidated adjusted net worth of 2.25 to 1.0 as of the end of each fiscal quarter; (iii) a maximum collateral performance indicator of 26.0% as of the end of each calendar month; and (iv) a minimum fixed charges coverage ratio of 2.25 to 1.0 for each fiscal quarter, where the ratio for the most recent four consecutive fiscal quarters must be at least 2.0 to 1.0, in order for the Company to declare dividends or purchase any class or series of its capital stock or other equity.

The collateral performance indicator is equal to the sum of (a) a three-month rolling average rate of receivables at least sixty days past due and (b) an eight-month rolling average net charge-off rate.

The Company was in compliance with these covenants at June 30, 2025 and does not believe that these covenants will materially limit its business and expansion strategy.

As of June 30, 2025, the agreement contained events of default including, without limitation, nonpayment of principal, interest or other obligations, violation of covenants, misrepresentation, cross-default to other debt, bankruptcy and other insolvency events, judgments, certain ERISA events, actual or asserted invalidity of loan documentation, invalidity of subordination provisions of subordinated debt, certain changes of control of the Company, and the occurrence of certain regulatory events, (including the entry of any stay, order, judgment, ruling or similar event related to the Company's or any of its subsidiaries' originating, holding, pledging, collecting or enforcing its eligible loans receivable that is material to the Company or any subsidiary) which remains unvacated, undischarged, unbonded or unstayed by appeal or otherwise for a period of 60 days from the date of its entry and is reasonably likely to cause a material adverse change.

On July 22, 2025, the Company terminated this credit facility and entered into a new revolving credit facility. Refer to Note 13 to the Consolidated Financial Statements for information regarding the Company's Revolving Credit Agreement.

As of June 30, 2025, the Company's debt outstanding was 471.7 million, net of \$0.8 million unamortized debt issuance costs related to the unsecured senior notes payable, and its shareholders' equity was \$427.9 million resulting in a debt-to-equity ratio of 1.1:1.0. Management will continue to monitor the Company's debt-to-equity ratio and is committed to maintaining a debt level that will allow the Company to continue to execute its business objectives, while not putting undue stress on its consolidated balance sheet.

The Company believes that cash flow from operations and borrowings under its revolving credit facility or other sources will be adequate to fund the expected cost of opening or acquiring new branches, including funding initial operating losses of new branches and funding loans receivable originated by those branches and the Company's other branches (for the next 12 months and for the foreseeable future beyond that). Except as otherwise discussed in (i) this report including, but not limited to, any discussions in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q and (ii) Part I, Item 1A, "Risk Factors" in the Company's fiscal 2024 Annual Report (as supplemented by any subsequent disclosures in information the Company files with or furnishes to the SEC from time to time), management is not currently aware of any trends, demands, commitments, events or uncertainties that it believes will or could result in, or are or could be reasonably likely to result in, any material adverse effect on the Company's liquidity.

### ***Share Repurchase Program***

On April 30, 2025, the Board of Directors authorized the Company to repurchase up to \$20.0 million of the Company's outstanding common stock, inclusive of the amount that remained available for repurchase under prior repurchase authorizations. As of June 30, 2025, the Company had \$7.0 million in aggregate remaining repurchase capacity under its current share repurchase program. On July 22, 2025, the Company's Board of Directors approved a share repurchase program authorizing the Company to repurchase up to \$100.0 million of its outstanding common stock inclusive of any amount that remains available for repurchase under prior repurchase authorizations. The timing and actual number of shares repurchased will depend on a variety of factors, including the stock price, corporate and regulatory requirements, available funds, alternative uses of capital, restrictions under the revolving credit agreement, and other market and economic conditions. The Company's stock repurchase program may be suspended or discontinued at any time.

The Company continues to believe stock repurchases are a viable component of the Company's long-term financial strategy and an excellent use of excess cash when the opportunity arises. Additional share repurchases can be made subject to compliance with, among other things, applicable restricted payment covenants under the revolving credit facility and the Notes. Our first priority is to ensure we have enough capital to fund loan growth. As of June 30, 2025, we could repurchase approximately \$7.2 million of shares under the terms of our senior unsecured notes payable. To the extent we have excess capital, we may repurchase stock, if appropriate and as authorized by our Board of Directors.

### ***Inflation***

The Company does not believe that inflation will have a materially adverse effect on its financial condition, unless changes in inflation are particularly severe and sudden in nature. Although inflation would increase the Company's operating costs in absolute terms, the Company expects that the same decrease in the value of money would result in an increase in the size of loans demanded by its customer base. It is reasonable to anticipate that such a change in customer preference would result in an increase in total loans receivable and an increase in absolute revenue to be generated from that larger amount of loans receivable. The Company believes that this increase in absolute revenue should offset any increase in operating costs. In addition, because the Company's loans have a relatively short contractual term and average life, it is unlikely that loans made at any given point in time will be repaid with significantly inflated dollars.

### ***Quarterly Information and Seasonality***

See Note 2 to the Consolidated Financial Statements.

### ***Recently Adopted Accounting Pronouncements***

There were no new accounting pronouncements recently adopted. See Note 2 to the Consolidated Financial Statements for information regarding recently issued accounting standards not yet adopted.

### ***Critical Accounting Policies***

The Company's accounting and reporting policies are in accordance with GAAP and conform to general practices within the finance company industry. Certain accounting policies involve significant judgment by the Company's management, including the use of estimates and assumptions which affect the reported amounts of assets, liabilities, revenue, and expenses. As a result, changes in these estimates and assumptions could significantly affect the Company's financial position and results of operations. The Company considers its policies regarding the allowance for credit losses, share-based compensation and income taxes to be its most critical accounting policies due to the significant degree of management judgment involved.

#### **Allowance for Credit Losses**

Accounting policies related to the allowance for credit losses are considered to be critical as these policies involve considerable subjective judgement and estimation by management. In the case of loans, the allowance for credit losses is a contra-asset valuation account, calculated in accordance with ASC 326 that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The amount of the allowance account represents management's best estimate of current expected credit losses on these financial instruments considering available information, from internal and external sources, relevant to assessing exposure to credit loss over the contractual term of the instrument. Relevant available information includes historical credit loss experience, current conditions, qualitative factors, and reasonable and supportable forecasts.

#### **Share-Based Compensation**

The Company measures compensation cost for share-based awards at fair value and recognizes compensation over the service period for awards expected to vest. The fair value of restricted stock is based on the number of shares granted and the quoted price of the Company's common stock at the time of grant, and the fair value of stock options is determined using the Black-Scholes valuation model. The Black-Scholes model requires the input of assumptions, including expected volatility, risk-free interest rate and expected life.

*Income Taxes*

Management uses certain assumptions and estimates in determining income taxes payable or refundable, deferred income tax liabilities and assets for events recognized differently in its financial statements and income tax returns, and income tax expense. Determining these amounts requires analysis of certain transactions and interpretation of tax laws and regulations. Management exercises considerable judgment in evaluating the amount and timing of recognition of the resulting income tax liabilities and assets. These judgments and estimates are re-evaluated on a periodic basis as regulatory and business factors change.

No assurance can be given that either the tax returns submitted by management or the income tax reported on the consolidated financial statements will not be adjusted by either adverse rulings, changes in the tax code, or assessments made by the IRS, state, or foreign taxing authorities. The Company is subject to potential adverse adjustments, including but not limited to: an increase in the statutory federal or state income tax rates, the permanent non-deductibility of amounts currently considered deductible either now or in future periods, and the dependency on the generation of future taxable income in order to ultimately realize deferred income tax assets.

Under FASB ASC Topic 740, the Company will include the current and deferred tax impact of its tax positions in the financial statements when it is more likely than not (likelihood of greater than 50%) that such positions will be sustained by taxing authorities, with full knowledge of relevant information, based on the technical merits of the tax position. While the Company supports its tax positions by unambiguous tax law, prior experience with the taxing authority, and analysis of what it considers to be all relevant facts, circumstances and regulations, management must still rely on assumptions and estimates to determine the overall likelihood of success and proper quantification of a given tax position.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

***Interest Rate Risk***

The Company's outstanding debt under its revolving credit facility was \$302.7 million at June 30, 2025. Interest on borrowings under this facility is based on the greater of 4.5% or one month SOFR plus 0.10% and an applicable margin of 3.5%. Based on the outstanding balance under the Company's revolving credit facility at June 30, 2025, a change of 1.0% in the interest rate would cause a change in interest expense of approximately \$3.0 million on an annual basis.

Item 4. Controls and Procedures

***Changes in Internal Control over Financial Reporting***

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

***Evaluation of Disclosure Controls and Procedures***

Based on management's evaluation, with the participation of our CEO and CFO, as of the end of the period covered by this report, our CEO and CFO have concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our management, including the CEO and CFO do not expect that our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

See Note 12 to the Consolidated Financial Statements included in this report for information regarding legal proceedings.

### Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A of the Company's fiscal 2025 Annual Report.

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

The Company's credit agreements contain certain limits on share repurchases. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

On April 30, 2025, the Board of Directors of the Company approved a share repurchase program authorizing the Company to repurchase up to \$20.0 million of its outstanding common stock, inclusive of any amount that remains available for repurchase under prior repurchase authorizations. As of June 30, 2025 the Company had \$7.0 million in aggregate remaining repurchase capacity under its current share repurchase program. On July 22, 2025, the Company's Board of Directors approved a share repurchase program authorizing the Company to repurchase up to \$100.0 million of its outstanding common stock inclusive of any amount that remains available for repurchase under prior repurchase authorizations. The timing and actual number of shares repurchased will depend on a variety of factors, including the stock price, corporate and regulatory requirements, available funds, alternative uses of capital, restrictions under the revolving credit agreement, and other market and economic conditions. The Company's stock repurchase program may be suspended or discontinued at any time.

The repurchase authorization does not have a stated expiration date. The following table details purchases of the Company's common stock, if any, made by the Company during the three months ended June 30, 2025:

	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Approximate dollar value of shares that may yet be purchased under the plans or programs
April 1 through April 30, 2025	—	\$ —	—	\$ 20,000,000
May 1 through May 31, 2025	67,054	146.32	—	10,188,892
June 1 through June 30, 2025	20,555	153.65	—	7,030,717
Total for the quarter	<b>87,609</b>	<b>\$ 148.04</b>	—	

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

During the quarter ended June 30, 2025, the following director and officers adopted a "Rule 10b5-1 trading arrangement" as defined in Regulation S-K Item 408, as follows:

On May 1, 2025, Charles Way, a member of the Board, adopted a Rule 10b5-1 trading arrangement providing for the potential sales of shares of our common stock through various transactions upon the occurrence and satisfaction of certain price and/or other conditions, with 6567 shares being the total of the maximum number of all shares subject to any condition when summed across all possible conditions. The trading arrangement is intended to satisfy the affirmative defense conditions of Rule

10b5-1(c). The duration of the trading arrangement is until July 30, 2027, or earlier, upon the completion or expiration of all transactions subject to the trading arrangement. The plan becomes effective following the expiration of a prior plan on July 31, 2025 which was adopted on February 3, 2023.

On April 30, 2025, during an open trading window under the Company's Insider Trading Policy, Luke Umstetter, our General Counsel, Chief Compliance Officer and Secretary, terminated a Rule 10b5-1 trading arrangement, previously adopted on February 7, 2023.

During the quarter ended June 30, 2025, no other directors or officers, as defined in Rule 16a-1(f), adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” each as defined in Regulation S-K Item 408.

Item 6. Exhibits



Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference		
			Form or Registration Number	Exhibit	Filing Date
3.01	<a href="#">Second Amended and Restated Articles of Incorporation of World Acceptance Corporation, as amended</a>		S-8	3.1	07-29-03
3.02	<a href="#">Eighth Amended and Restated Bylaws of World Acceptance Corporation</a>		10-Q	3.01	11-08-18
10.1	<a href="#">Revolving Credit Agreement, dated July 22, 2025, by and among the Company, the lenders named therein, and Bank of Montreal, as administrative and collateral agent (filed as exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 24, 2025).</a>		8-K	10.1	07-24-25
31.01	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</a>	*			
31.02	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Financial and Strategy Officer</a>	*			
32.01	<a href="#">Section 1350 Certification of Chief Executive Officer</a>	*			
32.02	<a href="#">Section 1350 Certification of Chief Financial and Strategy Officer</a>	*			
101.01	The following materials from the Company's Quarterly Report for the fiscal quarter ended June 30, 2025, formatted in Inline XBRL:	*			
	(i) Consolidated Balance Sheets as of June 30, 2025 and March 31, 2025;				
	(ii) Consolidated Statements of Operations for the three months ended June 30, 2025 and June 30, 2024;				
	(iii) Consolidated Statements of Shareholders' Equity for the three months ended June 30, 2025 and June 30, 2024;				
	(iv) Consolidated Statements of Cash Flows for the three months ended June 30, 2025 and June 30, 2024; and				
	(v) Notes to the Consolidated Financial Statements.				
104.01	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*			

\* Filed herewith.

## 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 thereunto duly authorized.

### WORLD ACCEPTANCE CORPORATION

By: /s/ Scott McIntyre

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Scott McIntyre

Senior Vice President of Accounting

*Signing on behalf of the registrant and as principal accounting officer*

Date: August 6, 2025

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EXHIBIT 31.01

CERTIFICATION

I, R. Chad Prashad, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of World Acceptance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 6, 2025

/s/ R. Chad Prashad  
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R. Chad Prashad  
President and Chief Executive Officer

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EXHIBIT 31.02

CERTIFICATION

I, John L. Calmes, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of World Acceptance Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 6, 2025

/s/ John L. Calmes, Jr.  
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John L. Calmes, Jr.  
Executive Vice President and Chief Financial and Strategy Officer

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EXHIBIT 32.01

CERTIFICATION OF PERIODIC REPORT

I, R. Chad Prashad, President and Chief Executive Officer of World Acceptance Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2025, (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 6, 2025

/s/ R. Chad Prashad  
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R. Chad Prashad  
President and Chief Executive Officer

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EXHIBIT 32.02

CERTIFICATION OF PERIODIC REPORT

I, John L. Calmes, Jr., Executive Vice President and Chief Financial and Strategy Officer of World Acceptance Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2025, (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 6, 2025

/s/ John L. Calmes, Jr.

John L. Calmes, Jr.

Executive Vice President and Chief Financial and Strategy Officer