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NEWS RELEASE

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QC Holdings, Inc. Reports Second Quarter 2024 Results

LENEXA, KS (August 30, 2024) – QC Holdings, Inc. (OTC PINK: QCCO) reported net loss of \$2.5 million and revenues of \$85.4 million for the six months ended June 30, 2024. For the six months ended June 30, 2023, the Company reported net loss of \$1.1 million and revenues of \$81.8 million.

The \$3.6 million increase in revenues during the first half of 2024 compared to first half of 2023 reflects steady growth across the Company's footprint, highlighted by a \$1.8 million increase from the branches in new states acquired by the Company from Hutcheson Enterprises, Inc. (HE) in May 2022 – Mississippi, Tennessee and Alabama. The Company's legacy states of Missouri, Oklahoma, Texas and Wisconsin produced solid revenue growth period-to-period, which was partially offset by the impact of the Company closing its New Mexico branches during first quarter 2023 due to an untenable law passed by the New Mexico legislature in 2022.

Loan loss rates increased from 32.5% for the six months ended June 30, 2023 to 34.4% during first half of 2024. This increase is primarily attributable to a higher proportion of new customers to returning customers compared to the prior year. While new customers contribute to increases in revenue, they default at a higher rate than returning customers due to lack of familiarity with the product and loan requirements.

Operating expenses increased period-to-period due to increases in marketing related to the locations in the three new states obtained in the HE acquisition and

depreciation associated with branch refresh efforts in these states. These increases were offset slightly by reduced occupancy and compensation costs as a result of the closing of the Company's New Mexico branches in 1Q 2023.

The Company's receivables increased \$4.2 million from June 30, 2023 due to integration of the HE locations into the Company's operations and increased marketing efforts. Legacy states experienced an aggregate increase of 6% from June 30, 2023 to the current period end.

The Company expects loan demand to follow typical trendlines during 2024 as broader market and economic pressures balance. As expected, the Company's loan losses increased during the first half of 2024 compared to the same prior year period. The Company believes loan loss rates during 2024 will be higher than prior year due to the higher proportionate share of new customers to returning customers, which will be the result of an accelerated marketing strategy intended to capitalize on solid consumer demand.

New Director and Annual Meeting

On May 23, 2024, Roger W. Dean was added to the Company's Board of Directors. On August 22, 2022, the Company held an Annual Meeting of Stockholders at the corporate headquarters in Lenexa, Kansas.

About QC Holdings, Inc.

Headquartered in Lenexa, Kansas, QC Holdings, Inc. is a leading provider of consumer loans in the United States and Canada. In the United States, QC offers various products, including installment, title, open-end credit and single-pay loans and check cashing, through 330 branches in 12 states, and via the internet in 10 states, as of June 30, 2024. In Canada, the Company, through its subsidiary Amaranth Financial Services Inc., is

engaged in short-term consumer lending through 20 branches in four provinces and online across the country.

Forward Looking Statement Disclaimer: Forward Looking Statement Disclaimer: This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the Company's current expectations and are subject to many risks and uncertainties, which could cause actual results to differ materially from those forward-looking statements. These risks include (1) the impact of persistent inflation on the ability of consumers to repay loans and the wage pressures on the Company, (2) risks associated with integration of recent acquisitions into the Company's operations, (3) changes in laws or regulations or governmental interpretations of existing laws and regulations governing consumer protection or short-term lending practices, such as the recent New Mexico legislation that effectively prohibits the Company's loan products in that state, (4) uncertainties relating to the interpretation, application and promulgation of regulations under the Dodd-Frank Wall Street Reform and Consumer Protection Act, including the impact of announced regulations by the Consumer Financial Protection Bureau (CFPB), (5) ballot referendum initiatives by industry opponents to cap the rates and fees that can be charged to customers, (6) uncertainties related to the examination process by the CFPB and indirect rulemaking through the examination process, (7) litigation or regulatory action directed towards us or the short-term consumer loan industry, (8) volatility in our earnings, primarily as a result of fluctuations in loan loss experience and closures of branches, (9) risks associated with our dependence on cash management banking services and the Automated Clearing House for loan collections, (10) negative media reports and public perception of the short-term consumer loan industry and the impact on federal and state legislatures and federal and state regulators, (11) changes in our key management personnel, (12) risks associated with owning and managing non-U.S. businesses, and (13) other various risks. The Company will not update any forward-looking statements made in this press release to reflect future events or developments.

(Financial and Statistical Information Follows)

QC Holdings, Inc.
Consolidated Condensed Statements of Operations
(in thousands, except per share amounts)
(Unaudited)

	<u>Quarter Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues				
Consumer loan interest and fees	\$ 39,720	\$ 37,682	\$ 79,932	\$ 77,175
Other	<u>2,829</u>	<u>2,229</u>	<u>5,496</u>	<u>4,656</u>
Total revenues	42,549	39,911	85,428	81,831
Provision for losses	15,344	14,130	29,363	26,585
Operating expenses	<u>18,920</u>	<u>17,494</u>	<u>37,644</u>	<u>35,072</u>
Gross profit	8,285	8,287	18,421	20,174
Corporate and Regional expenses	6,453	6,896	12,394	13,609
Interest expense, net	3,468	2,781	7,069	5,965
Other expense, net	<u>510</u>	<u>994</u>	<u>1,083</u>	<u>1,420</u>
Loss before income taxes	(2,146)	(2,384)	(2,125)	(820)
Provision for income taxes	<u>209</u>	<u>58</u>	<u>375</u>	<u>323</u>
Net loss	<u>\$ (2,355)</u>	<u>\$ (2,442)</u>	<u>\$ (2,500)</u>	<u>\$ (1,143)</u>
Loss per share:				
<i>Basic</i>				
Net loss	<u>\$ (0.14)</u>	<u>\$ (0.14)</u>	<u>\$ (0.14)</u>	<u>\$ (0.07)</u>
<i>Diluted</i>				
Net loss	<u>\$ (0.14)</u>	<u>\$ (0.14)</u>	<u>\$ (0.14)</u>	<u>\$ (0.07)</u>
Weighted average number of common shares outstanding:				
Basic	17,338	17,300	17,338	17,300
Diluted	17,349	17,300	17,346	17,300

QC Holdings, Inc.
Consolidated Condensed Balance Sheets
(in thousands)

	June 30, 2024	December 31, 2023
ASSETS	<i>(Unaudited)</i>	
Current assets		
Cash and cash equivalents	\$ 11,207	\$ 14,184
Restricted cash	809	817
Loans receivable, less allowance for credit losses of \$11,831 and \$11,780 at June 30, 2024 and December 31, 2023, respectively	59,443	61,466
Other current assets	<u>6,523</u>	<u>5,398</u>
Total current assets	77,982	81,865
Non-current loans receivable, less allowance for credit losses of \$774 and \$715 at June 30, 2024 and December 31, 2023, respectively	3,815	3,777
Property and equipment, net	10,526	9,186
Right-of-use asset, net	23,429	25,507
Other assets, net	<u>21,449</u>	<u>22,193</u>
Total assets	<u>\$137,201</u>	<u>\$142,528</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other current liabilities	\$ 10,374	\$ 12,824
Lease liability	7,272	7,056
Debt due within one year	<u>1,472</u>	<u>1,655</u>
Total current liabilities	19,118	21,535
Long-term debt, less current portion	70,247	69,919
Lease liability	<u>22,990</u>	<u>23,608</u>
Total liabilities	112,355	115,062
Stockholders' equity	<u>24,846</u>	<u>27,466</u>
Total liabilities and stockholders' equity	<u>\$137,201</u>	<u>\$142,528</u>

QC Holdings, Inc.
Consolidated Condensed Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended <u>June 30, 2024</u>	Six Months Ended <u>June 30, 2023</u>
Operating activities:		
Net loss	\$ (2,500)	\$ (1,143)
Adjustments to reconcile net loss to net cash	33,206	29,957
Changes in assets and liabilities	<u>(4,948)</u>	<u>(231)</u>
Net operating	<u>25,758</u>	<u>28,583</u>
Investing activities:		
Loan activity, net	(27,282)	(20,919)
Capital expenditures	<u>(1,120)</u>	<u>(729)</u>
Net investing	<u>(28,402)</u>	<u>(21,648)</u>
Financing activities:		
Indebtedness activity, net	<u>(219)</u>	<u>(8,683)</u>
Net financing	<u>(219)</u>	<u>(8,683)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(122)</u>	<u>82</u>
Net decrease in cash, cash equivalents and restricted cash	(2,985)	(1,666)
Cash, cash equivalents and restricted cash at beginning of year	<u>15,001</u>	<u>16,889</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 12,016</u>	<u>\$ 15,223</u>