

Katapult Reports Fourth Quarter and Full Year 2025 Results

Delivers 13th Consecutive Quarter of Gross Originations Growth

Pending Merger Transaction with The Aaron’s Company and CCF Holdings LLC Expected to Create a Premier Omnichannel Platform for Nonprime Consumers

PLANO, Texas, March XX, 2026— Katapult Holdings, Inc. (“Katapult” or the “Company”) (NASDAQ: KPLT), an e-commerce-focused financial technology company, today reported its financial results for the fourth quarter ended December 31, 2025.

“We made a lot of operating and financial progress during 2025 driven both by the strength of our product offering as well as our team’s dedication to growth and success,” said Orlando Zayas, CEO of Katapult. “During 2025 we achieved 17% gross originations growth, which was supported by a 45% increase in applications and a 25% increase in lease originations, illustrating the affinity our customers have for our lease-to-own (LTO) offering and the value we bring to our merchant-partners. While gross originations growth was quite robust, we fell slightly short of our 20-23% growth objective. Our fourth quarter marked our thirteenth consecutive quarter of gross originations growth, but our customers began to show signs of stress and the holiday season was not as strong as we anticipated. We saw a notable slowdown of year-over-year growth in November compared with October and only a slight pick-up in December.

“We believe this performance was driven by economic headwinds including persistently high inflation and a challenging labor market,” continued Zayas. “We are also seeing a notable pullback in spending for nonprime consumers, and access to credit is tightening. We believe these trends are evidence of the financial fatigue our nonprime consumers are experiencing and we are launching initiatives focused on offsetting these challenges. We will continue to watch these dynamics closely but believe they are transient and that Katapult’s innovative LTO platform will remain an important resource for nonprime consumers. Looking ahead, we believe our pending merger with Aaron’s and CCF Holdings will enhance our ability to meet the evolving needs of nonprime consumers while creating value for our combined set of stakeholders.”

Progress: Recent Highlights

(All comparisons are year-over-year unless stated otherwise.)

- Total lease applications grew ~9.0% year-over-year in the fourth quarter and 45.0% in 2025. Katapult received approximately 2 million applications in 2025.
- Increased activity within the Katapult app marketplace
 - The Katapult app was opened nearly 16 million times in 2025, up 30.0%
 - Monthly Active Users (MAU) grew approximately 20.8% in the fourth quarter
 - 66.6% of fourth quarter gross originations started in the Katapult app marketplace, making it the single largest customer referral source
 - Total app marketplace gross originations grew 13.7% year-over-year. Total app marketplace gross originations are defined as originations that start in our app but may be consummated elsewhere.
 - Cross-shopping activity continued to increase; customers with two or more current leases with two or more different retailers grew 15.3% in the fourth quarter and

- represented approximately 35.8% of the total number of gross originations during the quarter
 - Customer lifetime value grew nearly 4.0% in the fourth quarter
 - Customer satisfaction remained high and Katapult had a Net Promoter Score of 46 as of December 31, 2025
 - Approximately 63.5% of gross originations for the fourth quarter of 2025 came from repeat customers¹
- Consumer engagement grew with the addition of app functionality and features and the execution of targeted marketing campaigns
 - KPay conversion rate during the fourth quarter was flat compared to last year, but unique KPay customer count grew approximately 24.6% year-over-year
 - KPay gross originations grew 25.7% year-over-year in the fourth quarter and 49.4% of total gross originations were transacted using KPay. KPay gross originations grew 51.2% during 2025. Gross originations from new KPay customers grew 10.6% in the fourth quarter and 63.0% in 2025.
 - Launched Kay Jewelers in the Katapult app marketplace; there are approximately 40 KPay-enabled merchants in our ecosystem
- Continued to support our merchant-partners with targeted initiatives focused on strategic underwriting, pricing and event-driven co-marketing campaigns
 - Direct and waterfall gross originations represented approximately 51% of total fourth quarter originations and declined 11.4%. Excluding the home furnishings and mattress category, these gross originations grew approximately 4.7%.
 - Cohort of top 25 merchants grew 1.0% in the fourth quarter (as measured by gross originations volume) and 15.0% in 2025.
 - Added 57 direct or waterfall merchants or merchant pathways to our ecosystem. Pathways include new or existing merchant partners that launched a new website or an in-store experience that includes Katapult as a direct or waterfall LTO offering.
 - Entered partnership with LendPro, a leading waterfall financing platform

Fourth Quarter 2025 Financial Highlights

(All comparisons are year-over-year unless stated otherwise.)

- Gross originations were \$77.9 million, an increase of 3.7%. Excluding the home furnishings and mattress category, gross originations grew approximately 14.2% year-over-year.
- Total revenue was \$73.9 million, an increase of 17.3%
- Total operating expenses in the fourth quarter increased by \$0.3 million. Our fixed cash operating expenses², which exclude transaction related costs and other non-cash and variable expenses, decreased by 40.5% year-over-year.
- Loss from operations was \$(1.0) million, an improvement compared with a loss of \$(4.8) million in the fourth quarter of 2024
- Net income was \$19.8 million for the fourth quarter of 2025, an improvement compared with net loss of \$(9.6) million reported for the fourth quarter of 2024. This year-over-year improvement was mainly driven by a \$19.0 million gain on a derivative liability, a \$6.2 million gain on the extinguishment of our term loan and a \$4.1 million increase in gross profit.
- Adjusted net loss² was \$(0.3) million for the fourth quarter of 2025, an improvement compared with adjusted net loss of \$(8.0) million reported for the fourth quarter of 2024

- Adjusted EBITDA² was \$5.4 million for the fourth quarter of 2025 an improvement compared with Adjusted EBITDA² loss of \$(1.1) million in the fourth quarter of 2024 and above our outlook range
- Katapult ended the quarter with total cash and cash equivalents of \$23.5 million, which includes \$1.0 million of restricted cash. The Company ended the quarter with \$78.7 million of outstanding debt on its revolving credit facility.
- Cash used in operations was \$12.7 million, compared with \$28.5 million in the fourth quarter of 2024
- Write-offs as a percentage of revenue were 9.6% in the fourth quarter of 2025 and are within the Company's 8% to 10% long-term target range. This compares with 9.6% in the fourth quarter of 2024.

2025 Financial Highlights

(All comparisons are year-over-year unless stated otherwise.)

- Gross originations were \$278.5 million, an increase of 17.3%. Excluding the home furnishings and mattress category, gross originations grew approximately 39.0% year-over-year.
- Total revenue was \$291.8 million, an increase of 18.0% and within our outlook range
- Total operating expense decreased by \$1.8 million. Our fixed cash operating expenses², which exclude transaction related costs, debt refinancing costs and other non-cash and variable expenses, decreased by 11.8%
- Loss from operations was \$(0.5) million, an improvement compared with a loss of \$(8.1) million in 2024
- Net income was \$1.4 million, an improvement compared with net loss of \$(25.9) million reported for 2024. This year-over-year improvement was mainly driven by a \$17.4 million gain on derivative liabilities,a \$5.8 million increase in gross profit, and a \$5.1 million gain on extinguishment of our term loan.
- Adjusted net loss² was \$(10.3) million, an improvement compared with adjusted net loss of \$(16.5) million reported for 2024
- Adjusted EBITDA² was \$12.4 million an improvement compared with Adjusted EBITDA² of \$4.8 million in 2024 and above our outlook range
- Cash used in operations was \$11.9 million, an improvement compared with cash used in operations of \$32.6 million in 2024
- Write-offs as a percentage of revenue were 9.6% in 2025 and are within the Company's 8% to 10% long-term target range. This compares with 9.2% in 2024.

[1] Repeat customer rate is defined as the percentage of in-quarter originations from existing customers.

[2] Please refer to the “Reconciliation of Non-GAAP Measure and Certain Other Data” section and the GAAP to non-GAAP reconciliation tables below for more information.

Pending Mergers with The Aaron’s Company and CCF Holdings LLC

“We are so excited about the opportunity to combine forces with Aaron’s and CCF Holdings and we believe this transaction will create tremendous benefits for consumers, merchants and investors alike,” continued Zayas. “We believe the Katapult LTO offering is best-in-class and that these mergers will create the scale we need to unlock the value of our business model. We look forward to completing the work necessary to get this deal across the finish line.”

On December 11, 2025, we entered into an agreement (the “Merger Agreement”) to merge with Aaron’s Intermediate Holdco, Inc. (“Aaron’s”) and CCF Holdings LLC (“CCF Holdings”). We expect this transaction to close in the second quarter of 2026, subject to requisite stockholder and regulatory approvals and the satisfaction of other customary closing conditions. If completed, we expect the transaction to create a premier omni-channel platform that provides nonprime consumers access to durable goods and a comprehensive suite of innovative financial solutions tailored to their specific needs. Specifically, we believe this transaction will deliver the following benefits:

- **Differentiated customer value proposition:** Creates a trusted platform for nonprime consumers to access durable goods and a comprehensive suite of innovative financial solutions tailored to their specific needs.
- **Scale and unique market position:** Establishes a scaled omni-channel business with leading digital and mobile capabilities and a nationwide physical footprint including approximately 3,000 retail touchpoints.
- **Enhanced financial profile:** the combined company is expected to have a stronger financial and operating model that includes:
 - more than \$4 billion in pro forma revenue for the last twelve months (LTM) as of Q3 2025;
 - approximately \$450 million in pro forma LTM Adjusted EBITDA as of Q3 2025 and operating scale that supports long-term double-digit Adjusted EBITDA margin potential;
 - a combined reach that includes more than 7 million recently served customers;
 - a broad portfolio of recurring revenue streams; and
 - more attractive unit economics that support long-term profitability.
- **Significant synergy potential:** Expected synergies include:
 - expanded opportunities to serve a broader spectrum of nonprime consumer needs;
 - enhanced underwriting capabilities that can drive growth and yield;
 - technology that amplifies and accelerates product innovation; and
 - operating efficiencies.
- **Strengthened balance sheet:** Boosts the company’s balance sheet and access to capital that can be used to accelerate and invest in growth opportunities.
- **Experienced leadership:** Team of seasoned executives with deep experience in the nonprime consumer segment and track records of delivering operational improvement and innovation.

Under the terms of the Merger Agreement, upon the closing of the transaction, current Katapult stockholders will own 6% of the combined company on a fully diluted basis and stakeholders of Aaron's and CCF Holdings will own the remainder. Aaron's and CCF Holdings will be subsidiaries of Katapult, which is expected to continue trading on NASDAQ under the ticker symbol "KPLT."

Additional information regarding the Merger Agreement and the transaction is included in the notes to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2025 that we filed with the Securities and Exchange Commission.

In light of the pending mergers with Aaron's and CCFI, Katapult is not hosting a conference call to discuss fourth quarter and full year 2025 financial results nor is the company providing a business outlook at this time.

About Katapult

Katapult is a technology driven lease-to-own platform that integrates with omnichannel retailers and e-commerce platforms to power the purchasing of everyday durable goods for underserved U.S. non-prime consumers. Through our point-of-sale (POS) integrations and innovative mobile app featuring Katapult Pay(R), consumers who may be unable to access traditional financing can shop a growing network of merchant partners. Our process is simple, fast, and transparent. We believe that seeing the good in people is good for business, humanizing the way underserved consumers get the things they need with payment solutions based on fairness and dignity.

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Forward-Looking Statements

Certain statements included in this Press Release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements may be identified by words such as "anticipate," "assume," "believe," "continue," "could," "design," "estimate," "expect," "intend," "may," "plan," "potentially," "predict," "should," "will," "would," or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to: in this Press Release statements regarding the nature of market dynamics impacting nonprime consumers and the initiatives we are launching to offset such challenges, our pricing strategy and expected impact on our conversion rates and top-line growth; the success of our anticipated marketing efforts; our market opportunity; our ability to acquire and retain new and existing merchants and customers; customer adoption and continued growth of our mobile app featuring KPay; the all-stock merger transaction of Katapult, Aaron's and CCF Holdings, the closing of the transaction and the timing thereof; the financial and business impact of the transaction and the expected benefits of the transaction; and future opportunities for the combined company and the future operations of the combined company. These statements are based on various assumptions, whether or not identified in this Press Release, and on the current expectations of our management and are not predictions of actual performance.

These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond our control. These forward-looking statements are subject to a number of risks and uncertainties, including, among others, the ability to obtain regulatory approval and meet other closing conditions to the proposed transaction, including stockholder approval, and the occurrence of any event, change or other circumstance that could delay the proposed transaction, including the impact and timing of any government shutdown, or give rise to the termination of the Merger Agreement; potential adverse reactions or changes to business relationships resulting from the announcement of the mergers; litigation relating to the proposed transaction; the inability to retain key personnel, or potential diminished productivity due to the impact of the proposed transaction on Katapult's current and prospective employees, key management, customers, suppliers, franchisees and business partners; meeting future liquidity requirements and complying with restrictive covenants related to indebtedness; the combined company's ability to successfully integrate and grow its business; anticipated tax treatment, unexpected costs, charges or expenses resulting from the transaction; the execution of our business strategy and expanding information and technology capabilities; our market opportunity and our ability to acquire new customers and retain existing customers; adoption and success of our mobile application featuring Katapult Pay; the timing and impact of our growth initiatives on our future financial performance; anticipated occurrence and timing of prime lending tightening and impact on our results of operations; general economic conditions in the markets where we operate, the cyclical nature of customer spending, and seasonal sales and spending patterns of customers; risks relating to factors affecting consumer spending that are not under our control, including, among others, levels of employment, disposable consumer income, inflation, prevailing interest rates, consumer debt and availability of credit, consumer confidence in future economic conditions, political conditions, and consumer perceptions of personal well-being and security and willingness and ability of customers to pay for the goods they lease through us when due; risks relating to uncertainty of our estimates of market opportunity and forecasts of market growth, including the home furnishings and retail environment; risks related to the concentration of a significant portion of our transaction volume with a single merchant partner, or type of merchant or industry; the effects of competition on our future business; the impact of unstable market and economic conditions such as rising inflation and interest rates; reliability of our platform and effectiveness of our risk model; data security breaches or other information technology incidents or disruptions, including cyber-attacks, and the protection of confidential, proprietary, personal and other information, including personal data of customers; ability to attract and retain employees, executive officers or directors; effectively respond to general economic and business conditions; obtain additional capital, including equity or debt financing and servicing our indebtedness; enhance future operating and financial results; anticipate rapid technological changes, including generative artificial intelligence and other new technologies; comply with laws and regulations applicable to our business and the business of the combined company, including laws and regulations related to rental purchase transactions; stay abreast of modified or new laws and regulations applying to our business, including with respect to rental purchase transactions and privacy regulations; maintain and grow relationships with merchants and partners; respond to uncertainties associated with product and service developments and market acceptance; the impacts of new U.S. federal income tax laws; material weaknesses in our internal control over financial reporting which, if not identified and remediated, could affect the reliability of our financial statements; successfully defend litigation; litigation, regulatory matters, complaints, adverse publicity and/or misconduct by employees, vendors and/or service providers; and other events or factors, including those resulting from civil unrest, war, foreign invasions, terrorism, public health crises and pandemics (such as COVID-19), trade wars, or responses to such events; and those factors discussed in greater detail in the section entitled "Risk Factors" in our periodic reports filed with the Securities and Exchange Commission ("SEC"), including the Annual Report on Form 10-K for the year ended December 31, 2025 that we filed with the SEC.

If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that we do not presently know or that we currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. There can be no assurance that the transaction will be implemented or that plans of the respective directors and management of Katapult, Aaron's and CCF Holdings will proceed as expected or will ultimately be successful. Undue reliance should not be placed on the forward-looking statements in this Press Release. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events, except as required by law. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

Key Performance Metrics

Katapult regularly reviews several metrics, including the following key metrics, to evaluate its business, measure its performance, identify trends affecting our business, formulate financial projections and make strategic decisions, which may also be useful to an investor: gross originations, total revenue, gross profit, adjusted gross profit and adjusted EBITDA.

Gross originations are defined as the retail price of the merchandise associated with lease-purchase agreements entered into during the period through the Katapult platform. Gross originations do not represent revenue earned. However, we believe this is a useful operating metric for both Katapult's management and investors to use in assessing the volume of transactions that take place on Katapult's platform.

Total revenue represents the summation of rental revenue and other revenue. Katapult measures this metric to assess the total view of pay through performance of its customers. Management believes looking at these components is useful to an investor as it helps to understand the total payment performance of customers.

Gross profit represents total revenue less cost of revenue, and is a measure presented in accordance with generally accepted accounting principles in the United States ("GAAP"). See the "Non-GAAP Financial Measures" section below for a description and presentation of adjusted gross profit and adjusted EBITDA, which are non-GAAP measures utilized by management.

Non-GAAP Financial Measures

To supplement the financial measures presented in this press release and related conference call or webcast in accordance with GAAP, the Company also presents the following non-GAAP and other measures of financial performance: adjusted gross profit, adjusted EBITDA, adjusted net loss and fixed cash operating expenses. The Company believes that for management and investors to more effectively compare core performance from period to period, the non-GAAP measures should exclude items that are not indicative of our results from ongoing business operations. The Company urges investors to consider non-GAAP measures only in conjunction with its GAAP financials and to review the reconciliation of the Company's non-GAAP financial measures to its comparable GAAP financial measures, which are included in this press release.

Adjusted gross profit represents gross profit less variable operating expenses, which are servicing costs, and underwriting fees. Management believes that adjusted gross profit provides a meaningful understanding of one aspect of its performance specifically attributable to total revenue and the variable costs associated with total revenue.

Adjusted EBITDA is a non-GAAP financial measure that is defined as net income (loss) before interest expense and other fees, transaction related costs, stock-based compensation expense, debt refinancing costs, depreciation and amortization on property and equipment and capitalized software, litigation and settlement expenses, provision for impairment of leased assets, interest income, gain on extinguishment of term loan and settlement of derivative liability, net, and change in fair value of derivative liability and warrants. Transaction-related costs consist primarily of professional fees incurred and retention bonus costs in connection with the Mergers.

Adjusted net loss is a non-GAAP financial measure that is defined as net income (loss) before transaction related costs, stock-based compensation expense,, debt refinancing costs, litigation and settlement expenses, gain on extinguishment of term loan and settlement of derivative liability, net, and change in fair value of derivative liability and warrants.

Fixed cash operating expenses is a non-GAAP measure that is defined as operating expenses less variable lease costs such as servicing costs and underwriting fees, transaction related costs, stock-based compensation expense, debt refinancing costs, depreciation and amortization on property and equipment and capitalized software, and litigation and settlement expenses. We believe fixed cash operating expenses illustrates our controllable ongoing expenses.

Adjusted gross profit, adjusted EBITDA and adjusted net loss are useful to an investor in evaluating the Company's performance because these measures:

- Are widely used to measure a company's operating performance;
- Are financial measurements that are used by rating agencies, lenders and other parties to evaluate the Company's credit worthiness; and
- Are used by the Company's management for various purposes, including as measures of performance and as a basis for strategic planning and forecasting.

Management believes that the use of non-GAAP financial measures, as a supplement to GAAP measures, is useful to investors in that they eliminate items that are not part of our core operations, highly variable or do not require a cash outlay, such as stock-based compensation expense. Management uses these non-GAAP financial measures when evaluating operating performance and for internal planning and forecasting purposes. Management believes that these non-GAAP financial measures help indicate underlying trends in the business, are important in comparing current results with prior period results and are useful to investors and financial analysts in assessing operating performance. However, these non-GAAP measures exclude items that are significant in understanding and assessing Katapult's financial results. Therefore, these measures should not be considered in isolation or as alternatives to revenue, net loss, gross profit, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Katapult's presentation of these measures may not be comparable to similarly titled measures used by other companies.

KATAPULT HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Revenue				
Rental revenue	\$ 72,589	\$ 62,031	\$ 287,161	\$ 243,978
Other revenue	1,296	932	4,600	3,216
Total revenue	73,885	62,963	291,761	247,194
Cost of revenue	62,351	55,557	240,158	201,423
Gross profit	11,534	7,406	51,603	45,771
Operating expenses:				
Servicing costs	1,314	1,156	4,710	4,589
Underwriting fees	849	814	3,204	2,304
Professional and consulting fees	3,997	631	8,167	5,201
Technology and data analytics	1,481	1,740	6,113	7,170
Compensation costs	2,400	4,376	17,867	20,076
General and administrative	2,320	3,208	11,242	10,866
Litigation and settlement expenses	203	314	813	3,666
Total operating expenses	12,564	12,239	52,116	53,872
Loss from operations	(1,030)	(4,833)	(513)	(8,101)
Gain on extinguishment of term loan and settlement of derivative liability, net	6,160	—	5,120	—
Interest expense and other fees	(4,147)	(4,849)	(20,552)	(18,851)
Interest income	103	148	197	1,163
Change in fair value of derivative liability and warrants	19,030	(5)	17,432	17
Income (loss) before income taxes	20,116	(9,539)	1,684	(25,772)
Provision for income taxes	(279)	(30)	(319)	(143)
Net income (loss)	\$ 19,837	\$ (9,569)	\$ 1,365	\$ (25,915)
Accumulated undeclared dividends on Series A and B Preferred Stock	(1,922)	—	(1,922)	—
Net income (loss) attributable to common stockholders	\$ 17,915	\$ (9,569)	\$ (557)	\$ (25,915)

KATAPULT HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)

	December 31,	
	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 22,432	\$ 3,465
Restricted cash	1,048	13,087
Property held for lease, net of accumulated depreciation and impairment	73,691	67,085
Prepaid expenses and other current assets	4,257	6,731
Deferred financing costs, net	3,802	—
Total current assets	105,230	90,368
Property and equipment, net	163	253
Security deposits	15	91
Capitalized software and intangible assets, net	2,119	2,076
Right-of-use assets, non-current	339	383
Total assets	\$ 107,866	\$ 93,171
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 1,891	\$ 1,491
Accrued liabilities	17,701	17,372
Accrued litigation settlement	750	2,199
Unearned revenue	4,883	4,823
Revolving line of credit, net	78,727	82,582
Term loan, net	—	30,047
Derivative liability	13,600	—
Lease liabilities	51	179
Total current liabilities	117,603	138,693
Other liabilities	45	828
Lease liabilities, non-current	392	444
Total liabilities	118,040	139,965
MEZZANINE EQUITY		
Series A Convertible Preferred Stock, \$0.001 par value; 35,000 shares authorized and issued (and outstanding) as of December 31, 2025; stated value \$1,000 per share; liquidation preference of \$36.0 million.	\$ 11,308	—
Series B Convertible Preferred Stock, \$0.001 par value; 30,000 shares authorized and issued (and outstanding) as of December 31, 2025; stated value \$1,000 per share; liquidation preference of \$30.9 million.	\$ 16,601	—
Total mezzanine equity	\$ 27,909	—
STOCKHOLDERS' DEFICIT		
Common stock, \$.0001 par value; 250,000,000 shares authorized; 4,750,258 and 4,446,540 shares issued and outstanding at December 31, 2025 and 2024, respectively	—	—
Additional paid-in capital	109,003	101,657
Accumulated deficit	(147,086)	(148,451)
Total stockholders' deficit	(38,083)	(46,794)
Total liabilities, mezzanine equity and stockholders' deficit	\$ 107,866	\$ 93,171

KATAPULT HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 1,365	\$ (25,915)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	164,313	140,636
Depreciation for early lease purchase options (buyouts)	37,671	29,061
Depreciation for impaired leases	28,652	24,962
Change in fair value of derivative liability, warrants, and other	(17,381)	(256)
Stock-based compensation	3,693	5,759
Gain on extinguishment of term loan and settlement of derivative liability, net	(5,120)	—
Amortization of debt discount	3,002	3,104
Amortization of debt issuance costs, net	2,410	220
Accrued PIK interest expense	3,291	1,440
Amortization of right-of-use assets	183	318
Changes in operating assets and liabilities:		
Property held for lease	(236,014)	(201,189)
Prepaid expenses and other current assets	2,288	(2,053)
Litigation insurance reimbursement receivable	—	5,000
Accounts payable	400	588
Accrued liabilities	129	(6,775)
Accrued litigation	(695)	(7,055)
Lease liabilities	(180)	(288)
Unearned revenues	60	(126)
Net cash used in operating activities	(11,933)	(32,569)
Cash flows from investing activities:		
Purchases of property and equipment	(34)	(54)
Additions to capitalized software	(1,147)	(1,249)
Other assets and security deposits	76	—
Net cash used in investing activities	(1,105)	(1,303)
Cash flows from financing activities:		
Proceeds from New and Existing Revolving Facilities	21,968	34,421
Principal repayments on New and Existing Revolving Facilities	(25,999)	(12,406)
Repayment of term loan and repurchase of warrants	(35,070)	—
Payments of issuance costs related to debt and preferred stock	(5,347)	—
Repurchases of restricted stock	(594)	(613)
Proceeds from issuance of Convertible Preferred Stock and warrants	65,000	—
Proceeds from exercise of stock options	8	211
Net cash provided by financing activities	19,966	21,613
Net increase (decrease) in cash, cash equivalents and restricted cash	6,928	(12,259)
Cash, cash equivalents and restricted cash at beginning of period	16,552	28,811
Cash, cash equivalents and restricted cash at end of period	\$ 23,480	\$ 16,552
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 11,693	\$ 13,709
Cash paid for income taxes	\$ 106	\$ 226
Cash paid for operating leases	\$ 275	\$ 359

Supplemental disclosure of non-cash investing and financing activities		
Issuance of warrants to purchase common stock in connection with debt refinancing	\$ 3,934	\$ —
Issuance of common stock in connection with litigation settlements	\$ 1,505	\$ 1,756
Issuance of New Term Loan derivative liability in connection with debt refinancing	\$ 3,558	\$ —
Debt issuance costs accrued but not yet paid	\$ 200	\$ —
Extinguishment of Existing Term Loan	\$ 32,654	\$ —

KATAPULT HOLDINGS, INC.
RECONCILIATION OF NON-GAAP MEASURES AND CERTAIN OTHER DATA (UNAUDITED)
(amounts in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net income (loss)	\$ 19,837	\$ (9,569)	\$ 1,365	\$ (25,915)
Add back:				
Interest expense and other fees	4,147	4,849	20,552	18,851
Transaction related costs	3,900	—	4,931	—
Stock-based compensation expense	962	1,331	3,693	5,759
Debt refinancing costs	—	—	1,489	—
Depreciation and amortization on property and equipment and capitalized software	325	287	1,228	1,219
Litigation and settlement expenses	203	226	813	3,666
Provision for impairment of leased assets	1,040	1,921	738	2,227
Provision for income taxes	279	30	319	143
Interest income	(103)	(148)	(197)	(1,163)
Gain on extinguishment of term loan and settlement of derivative liability, net	(6,160)	—	(5,120)	—
Change in fair value of derivative liability and warrants	(19,030)	5	(17,432)	(17)
Adjusted EBITDA	\$ 5,400	\$ (1,068)	\$ 12,379	\$ 4,770

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net income (loss)	\$ 19,837	\$ (9,569)	\$ 1,365	\$ (25,915)
Add back:				
Transaction related costs	3,900	—	4,931	—
Stock-based compensation expense	962	1,331	3,693	5,759
Debt refinancing costs	—	—	1,489	—
Litigation and settlement expenses	203	226	813	3,666
Gain on extinguishment of term loan and settlement of derivative liability, net	(6,160)	—	(5,120)	—
Change in fair value of derivative liability and warrants	(19,030)	5	(17,432)	(17)
Adjusted net loss	\$ (288)	\$ (8,007)	\$ (10,261)	\$ (16,507)

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Operating expenses	\$ 12,564	\$ 12,239	\$ 52,116	\$ 53,872
Less:				
Servicing costs	1,314	1,156	4,710	4,589
Underwriting fees	849	814	3,204	2,304
Transaction related costs	3,900	—	4,931	—
Stock-based compensation expense	962	1,331	3,693	5,759
Debt refinancing costs	—	—	1,489	—
Depreciation and amortization on property and equipment and capitalized software	325	287	1,228	1,219
Litigation and settlement expenses	203	226	813	3,666
Fixed cash operating expenses	\$ 5,011	\$ 8,425	\$ 32,048	\$ 36,335

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Total revenue	\$ 73,885	\$ 62,963	\$ 291,761	\$ 247,194
Cost of revenue	62,351	55,557	240,158	201,423
Gross profit	11,534	7,406	51,603	45,771
Less:				
Servicing costs	1,314	1,156	4,710	4,589
Underwriting fees	849	814	3,204	2,304
Adjusted gross profit	\$ 9,371	\$ 5,436	\$ 43,689	\$ 38,878

CERTAIN KEY PERFORMANCE METRICS

(in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Total revenue	\$ 73,885	\$ 62,963	\$ 291,761	\$ 247,194

KATAPULT HOLDINGS, INC.
GROSS ORIGINATIONS

(\$ millions)	Gross Originations									
	Q1		Q2		Q3		Q4		Full Year	
FY 2025	\$	64.2	\$	72.1	\$	64.2	\$	77.9	\$	278.4
FY 2024	\$	55.6	\$	55.3	\$	51.2	\$	75.2	\$	237.3
FY 2023	\$	54.7	\$	54.7	\$	49.6	\$	67.5	\$	226.5