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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2026

OR

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

Commission File Number: 001-34568



OPENLANE, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**20-8744739**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11299 N. Illinois Street, Suite 500, Carmel, Indiana 46032
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(800) 923-3725**

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, par value $0.01 per share	OPLN	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 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 the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of July 31, 2026, 122,797,455 shares of the registrant's common stock, par value $0.01 per share, were outstanding.

OPENLANE, Inc.
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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

OPENLANE, Inc.
Consolidated Statements of Income
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating revenues				
Auction and related fees	**$ 259.0**	$ 213.9	**$ 500.8**	$ 412.8
SaaS and other revenue	**73.4**	63.1	**140.9**	129.7
Purchased vehicle sales	**114.9**	98.5	**227.1**	184.2
Finance revenue	**107.3**	106.2	**213.7**	215.1
Total operating revenues	**554.6**	481.7	**1,082.5**	941.8
Operating expenses				
Cost of services (exclusive of depreciation and amortization)	**306.4**	254.4	**578.1**	496.0
Finance interest expense	**25.7**	26.9	**50.5**	54.5
Provision for credit losses	**8.9**	8.7	**19.2**	18.0
Selling, general and administrative	**123.8**	114.3	**248.2**	221.5
Depreciation and amortization	**22.3**	23.0	**45.2**	45.7
Loss on sale of property	**—**	7.0	**—**	7.0
Total operating expenses	**487.1**	434.3	**941.2**	842.7
Operating profit	**67.5**	47.4	**141.3**	99.1
Interest expense	**10.0**	3.1	**20.1**	7.1
Other income, net	**(3.6)**	(7.4)	**(5.2)**	(12.4)
Income before income taxes	**61.1**	51.7	**126.4**	104.4
Income taxes	**16.8**	18.3	**33.2**	34.1
Net income	**$ 44.3**	$ 33.4	**$ 93.2**	$ 70.3
Amounts attributable to common stockholders				
Net income	**$ 44.3**	$ 33.4	**$ 93.2**	$ 70.3
Series A Preferred Stock dividends	**(3.3)**	(11.1)	**(8.6)**	(22.2)
Net income attributable to participating securities	**(3.4)**	(5.6)	**(9.3)**	(12.0)
Net income attributable to common stockholders	**$ 37.6**	$ 16.7	**$ 75.3**	$ 36.1
Net income per share				
Basic	**$ 0.33**	$ 0.16	**$ 0.68**	$ 0.34
Diluted	**$ 0.32**	$ 0.15	**$ 0.67**	$ 0.33

See accompanying condensed notes to consolidated financial statements

OPENLANE, Inc.
Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income	**$ 44.3**	$ 33.4	**$ 93.2**	$ 70.3
Other comprehensive income (loss)				
Foreign currency translation gain (loss)	**(9.6)**	27.6	**(17.4)**	32.0
Comprehensive income	**$ 34.7**	$ 61.0	**$ 75.8**	$ 102.3

See accompanying condensed notes to consolidated financial statements

OPENLANE, Inc.
Consolidated Balance Sheets
(In millions)
(Unaudited)

	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	**$ 189.7**	$ 141.5
Restricted cash	**28.1**	43.9
Trade receivables, net of allowances of $9.6 and $9.7	**391.2**	314.1
Finance receivables, net of allowances of $30.0 and $27.5	**2,621.1**	2,425.4
Other current assets	**98.4**	86.7
Total current assets	**3,328.5**	3,011.6
Other assets		
Goodwill	**1,236.1**	1,243.5
Customer relationships, net of accumulated amortization of $463.7 and $459.2	**94.2**	102.7
Other intangible assets, net of accumulated amortization of $570.9 and $555.0	**135.2**	142.8
Operating lease right-of-use assets	**55.9**	57.9
Property and equipment, net of accumulated depreciation of $139.4 and $141.5	**98.0**	104.2
Other assets	**58.5**	61.6
Total other assets	**1,677.9**	1,712.7
Total assets	**$ 5,006.4**	$ 4,724.3

See accompanying condensed notes to consolidated financial statements

OPENLANE, Inc.
Consolidated Balance Sheets
(In millions, except share and per share data)
(Unaudited)

	June 30, 2026	December 31, 2025
Liabilities, Temporary Equity and Stockholders' Equity		
Current liabilities		
Accounts payable	**$ 802.9**	$ 665.8
Accrued employee benefits and compensation expenses	**42.8**	50.8
Accrued interest	**10.7**	11.3
Other accrued expenses	**85.4**	90.8
Income taxes payable	**15.9**	21.4
Obligations collateralized by finance receivables	**1,887.0**	1,758.3
Current maturities of long-term debt	**5.5**	5.5
Total current liabilities	**2,850.2**	2,603.9
Non-current liabilities		
Long-term debt	**529.2**	530.1
Deferred income tax liabilities	**0.5**	0.6
Operating lease liabilities	**50.8**	53.0
Other liabilities	**4.5**	6.2
Total non-current liabilities	**585.0**	589.9
Commitments and contingencies (Note 9)		
Temporary equity		
Series A convertible preferred stock	**—**	289.8
Stockholders' equity		
Common stock, $0.01 par value:		
Authorized shares: 400,000,000		
Issued and outstanding shares:		
June 30, 2026: 122,930,643		
December 31, 2025: 106,175,229	**1.2**	1.1
Additional paid-in capital	**956.0**	692.8
Retained earnings	**671.3**	586.7
Accumulated other comprehensive loss	**(57.3)**	(39.9)
Total stockholders' equity	**1,571.2**	1,240.7
Total liabilities, temporary equity and stockholders' equity	**$ 5,006.4**	$ 4,724.3

See accompanying condensed notes to consolidated financial statements

OPENLANE, Inc.
Consolidated Statements of Stockholders' Equity
(In millions)
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at March 31, 2026	106.0	$ 1.1	$ 669.9	$ 630.3	$ (47.7)	$ 1,253.6
Net income				44.3		44.3
Other comprehensive loss					(9.6)	(9.6)
Issuance of common stock under stock plans	0.4		6.6			6.6
Surrender of RSUs for taxes			(0.2)			(0.2)
Stock-based compensation expense			8.5			8.5
Repurchase and retirement of common stock	(0.6)		(21.8)			(21.8)
Dividends on preferred stock	0.2		3.3	(3.3)		—
Conversion of Series A convertible preferred stock into common stock	16.9	0.1	289.7			289.8
Balance at June 30, 2026	**122.9**	**$ 1.2**	**$ 956.0**	**$ 671.3**	**$ (57.3)**	**$ 1,571.2**

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2025	106.2	$ 1.1	$ 692.8	$ 586.7	$ (39.9)	$ 1,240.7
Net income				93.2		93.2
Other comprehensive loss					(17.4)	(17.4)
Issuance of common stock under stock plans	1.5		9.9			9.9
Surrender of RSUs for taxes	(0.3)		(9.4)			(9.4)
Stock-based compensation expense			17.9			17.9
Repurchase and retirement of common stock	(1.6)		(48.2)			(48.2)
Dividends on preferred stock	0.2		3.3	(8.6)		(5.3)
Conversion of Series A convertible preferred stock into common stock	16.9	0.1	289.7			289.8
Balance at June 30, 2026	**122.9**	**$ 1.2**	**$ 956.0**	**$ 671.3**	**$ (57.3)**	**$ 1,571.2**

See accompanying condensed notes to consolidated financial statements

OPENLANE, Inc.
Consolidated Statements of Stockholders' Equity
(In millions)
(Unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at March 31, 2025	107.3	$ 1.1	$ 720.4	$ 715.6	$ (64.7)	$ 1,372.4
Net income				33.4		33.4
Other comprehensive income					27.6	27.6
Issuance of common stock under stock plans	0.4		0.8			0.8
Surrender of RSUs for taxes	(0.1)		(2.3)			(2.3)
Stock-based compensation expense			4.1			4.1
Repurchase and retirement of common stock	(0.4)		(9.3)			(9.3)
Dividends on preferred stock				(11.1)		(11.1)
Balance at June 30, 2025	107.2	$ 1.1	$ 713.7	$ 737.9	$ (37.1)	$ 1,415.6

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2024	106.8	$ 1.1	$ 720.9	$ 689.8	$ (69.1)	$ 1,342.7
Net income				70.3		70.3
Other comprehensive income					32.0	32.0
Issuance of common stock under stock plans	1.1		2.9			2.9
Surrender of RSUs for taxes	(0.3)		(6.5)			(6.5)
Stock-based compensation expense			5.8			5.8
Repurchase and retirement of common stock	(0.4)		(9.4)			(9.4)
Dividends on preferred stock				(22.2)		(22.2)
Balance at June 30, 2025	107.2	$ 1.1	$ 713.7	$ 737.9	$ (37.1)	$ 1,415.6

See accompanying condensed notes to consolidated financial statements

OPENLANE, Inc.
Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Six Months Ended June 30,	
	2026	**2025**
Operating activities		
Net income	**$ 93.2**	$ 70.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**45.2**	45.7
Provision for credit losses	**19.2**	18.0
Deferred income taxes	**3.5**	2.8
Amortization of debt issuance costs	**4.8**	4.4
Stock-based compensation	**17.9**	5.8
Loss on sale of property	**—**	7.0
Other non-cash, net	**0.7**	0.2
Changes in operating assets and liabilities:		
Trade receivables and other assets	**(86.9)**	(55.1)
Accounts payable and accrued expenses	**114.8**	95.1
Net cash provided by operating activities	**212.4**	194.2
Investing activities		
Net increase in finance receivables held for investment	**(216.7)**	(45.0)
Purchases of property, equipment and computer software	**(26.9)**	(26.1)
Investments in securities	**(1.6)**	(0.7)
Proceeds from sale of investments	**1.9**	—
Proceeds from the sale of property and equipment	**—**	42.4
Net cash used by investing activities	**(243.3)**	(29.4)
Financing activities		
Net increase in book overdrafts	**3.4**	0.5
Net repayments of lines of credit	**—**	(23.2)
Net increase in obligations collateralized by finance receivables	**134.8**	49.4
Payments for debt issuance costs/amendments	**—**	(0.4)
Payments on long-term debt	**(2.8)**	(210.0)
Issuance of common stock under stock plans	**9.9**	2.9
Tax withholding payments for vested RSUs	**(9.4)**	(6.5)
Repurchase and retirement of common stock, including excise taxes	**(48.2)**	(9.4)
Repurchase and retirement of Series A Preferred Stock, including excise taxes	**(5.6)**	—
Dividends paid on Series A Preferred Stock	**(5.3)**	(22.2)
Net cash provided by (used by) financing activities	**76.8**	(218.9)
Effect of exchange rate changes on cash	**(13.5)**	19.2
Net increase (decrease) in cash, cash equivalents and restricted cash	**32.4**	(34.9)
Cash, cash equivalents and restricted cash at beginning of period	**185.4**	183.7
Cash, cash equivalents and restricted cash at end of period	**$ 217.8**	$ 148.8
Supplemental disclosures of cash flow information		
Cash paid for interest	**$ 66.6**	$ 58.1
Cash paid for taxes, net of refunds - continuing operations	**$ 39.2**	$ 27.3
Cash paid for taxes, net of refunds - discontinued operations	**$ (0.5)**	$ (1.5)
Supplemental disclosure of non-cash financing activity		
Accrual for repurchase of common stock	**$ 0.1**	$ —

See accompanying condensed notes to consolidated financial statements

OPENLANE, Inc.
Condensed Notes to Consolidated Financial Statements
June 30, 2026 (Unaudited)

Note 1—Basis of Presentation and Nature of Operations

Defined Terms

Unless otherwise indicated or unless the context otherwise requires, the following terms used herein shall have the following meanings:

- "OPENLANE, Inc." refers to the Company and not to its subsidiaries;
- "we," "us," "our," "OPENLANE" and "the Company" refer, collectively, to OPENLANE, Inc. and its subsidiaries, unless the context requires otherwise;
- "AFC" refers, collectively, to Automotive Finance Corporation and Automotive Finance Corporation's subsidiaries and other related entities;
- "Credit Agreement" refers to the Credit Agreement, dated June 23, 2023 (as amended, amended and restated, modified or supplemented from time to time), among the Company, as the borrower, the several banks and other financial institutions or entities from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent, providing for, among other things, a $325 million senior secured revolving credit facility due June 23, 2028 (the "Revolving Credit Facility"), a C$175 million revolving credit facility due June 23, 2028 (the "Canadian Revolving Credit Facility" and, together with the Revolving Credit Facility, "the Revolving Credit Facilities") and incremental term loans in an aggregate principal amount equal to $550 million due October 8, 2032 (the "2025 Incremental Term Loans"); and
- "Series A Preferred Stock" refers to the Series A Convertible Preferred Stock, par value $0.01 per share (0 shares and 300,277 shares of Series A Preferred Stock were outstanding at June 30, 2026 and December 31, 2025, respectively).

Business and Nature of Operations

OPENLANE is a leading digital marketplace for wholesale used vehicles operating in the United States, Canada and Europe. Our technology and people connect the leading automotive manufacturers, dealers, rental companies, fleet operators, captive finance and lending institutions as buyers and sellers. Our portfolio of integrated technology, data analytics, financing, logistics and other remarketing solutions, combined with our 14 vehicle logistics centers in Canada, power transactions on our marketplace and help advance our purpose: to make wholesale easy so our customers can be more successful.

For commercial sellers, our proprietary SaaS-based platform supports private label digital remarketing applications representing the majority of North American manufacturers and captive finance companies. When combined with OPENLANE's vehicle inspection, transportation and other affiliated services, OPENLANE provides comprehensive solutions to our commercial customers. For dealer customers, our marketplaces in the U.S. and Canada connect a growing number of franchise and independent dealers while our technology facilitates multiple sales formats, and delivers data-driven insights to help dealers buy and sell inventory with speed, ease and transparency.

Marketplace services include a variety of activities designed to facilitate the transfer of used vehicles between sellers and buyers throughout the vehicle life cycle. We facilitate the exchange of these vehicles through our marketplaces, which aligns sellers and buyers. As an agent for customers, the Company generally does not take title to or ownership of vehicles sold through our marketplaces. Generally, fees are earned from the seller and buyer on each successful marketplace transaction in addition to fees earned for ancillary services. We also sell vehicles we have purchased, for which we do take title and record the gross selling price of the vehicle sold through our marketplaces as revenue.

We also provide services such as inbound and outbound transportation logistics, reconditioning, vehicle inspection and certification, titling, administrative and collateral recovery services. We are able to serve the diverse and multi-faceted needs of our customers through the wide range of services offered.

AFC is a leading provider of floorplan financing primarily to independent used vehicle dealers ("independent vehicle dealers") and this financing is provided through approximately 90 locations (hybrid of physical locations and a digital servicing network) throughout the United States and Canada as of June 30, 2026. Floorplan financing supports independent vehicle dealers in North America who purchase vehicles at OPENLANE and other used vehicle and salvage auctions. In addition, AFC provides

financing for dealer inventory purchased directly from wholesalers, other dealers and directly from consumers, as well as providing liquidity for customer trade-ins which can encompass settling lienholder payoffs. AFC also provides title services for their customers throughout North America.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for annual financial statements. Operating results for interim periods are not necessarily indicative of results that may be expected for the year as a whole. In the opinion of management, the consolidated financial statements reflect all adjustments, generally consisting of normal recurring accruals, necessary for a fair statement of our results of operations, cash flows and financial position for the periods presented. These consolidated financial statements and condensed notes to consolidated financial statements are unaudited and should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on February 18, 2026. The 2025 year-end consolidated balance sheet data included in this Form 10-Q was derived from the audited financial statements referenced above and does not include all disclosures required by U.S. GAAP for annual financial statements.

Reclassifications

To better reflect the Company's transformation from a physical auction business to a digital marketplace within its revenue streams, beginning in the fourth quarter of 2025, the Company revised its consolidated statements of income to present revenue categories more representative of its current business profile. The former "Auction fees" and "Service revenue" line items were replaced with "Auction and related fees" and "SaaS and other revenue." For the three and six months ended June 30, 2025, "Auction fees" of $134.9 million and $260.1 million, respectively, were replaced with "Auction and related fees" of $213.9 million and $412.8 million, respectively. For the three and six months ended June 30, 2025, "Service revenue" of $142.1 million and $282.4 million, respectively, was replaced with "SaaS and other revenue" of $63.1 million and $129.7 million, respectively. Reconditioning, vehicle inspection and certification and certain transportation revenues that were formerly included within "Service revenue" are now presented as a component of "Auction and related fees." Generally, the revenue included in "SaaS and other revenue" was formerly included within "Service revenue," and is comprised of repossession-related revenue, vehicle research services, simulcast solution revenue and transportation services arranged with our proprietary technology (for vehicles not sold on one of our platforms). This change in revenue categories has no impact on total operating revenues, operating profit or net income. The revenue presentation change only impacts the Marketplace segment and prior year revenues have been revised to conform to the current presentation. The "Purchased vehicle sales" and "Finance revenue" line items remain unchanged.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates based in part on assumptions about current, and for some estimates, future economic and market conditions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Although the current estimates contemplate current conditions and expected future changes, as appropriate, it is reasonably possible that future conditions could differ from these estimates, which could materially affect our results of operations and financial position. Among other effects, such changes could result in future impairments of goodwill, intangible assets and long-lived assets, incremental losses on finance receivables, additional allowances on accounts receivable and deferred tax assets and changes in litigation and other loss contingencies.

New Accounting Standards

In December 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-11, *Interim Reporting (Subtopic 270): Narrow-Scope Improvements*, which provides clarity about current interim disclosure requirements and adds a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The amendments are effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted and the amendments should be applied either prospectively to financial statements issued for reporting periods after the adoption date or retrospectively to any

or all prior periods presented in the financial statements. The Company is currently evaluating the impact the adoption of ASU 2025-11 will have on the consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which amends certain aspects of the accounting for and disclosure of internal-use software costs. The amendments are effective for fiscal years beginning after December 15, 2027, and for interim reporting periods within those annual periods. Early adoption is permitted and the amendments should be applied either prospectively to financial statements issued for reporting periods after the effective date, retrospectively to any or all prior periods presented in the financial statements, or through a modified prospective transition approach which is based on the status of the project and whether software costs were capitalized before the date of adoption. The Company is currently evaluating the impact the adoption of ASU 2025-06 will have on the consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires that public business entities disclose additional information about specific expense categories to provide more detailed information to investors about the types of expenses in commonly presented expense captions. The amendments are effective for fiscal years beginning after December 15, 2026, and for interim periods beginning after December 15, 2027. Early adoption is permitted and the amendments should be applied either prospectively to financial statements issued for reporting periods after the effective date or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact the adoption of ASU 2024-03 will have on the consolidated financial statements and related disclosures.

Note 2—Stock and Stock-Based Compensation Plans

The OPENLANE, Inc. Second Amended and Restated 2009 Omnibus Stock and Incentive Plan ("Omnibus Plan") is intended to provide equity and/or cash-based awards to our executive officers and key employees. Our stock-based compensation expense includes expense associated with service-based options ("service options"), market-based options ("market options"), performance-based restricted stock units ("PRSUs") and service-based restricted stock units ("RSUs"). We have determined that the service options, market options, PRSUs and RSUs should be classified as equity awards.

The following table summarizes our stock-based compensation expense by type of award *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
PRSUs	**$ 5.5**	$ 1.6	**$ 10.7**	$ 2.1
RSUs	**3.0**	2.3	**7.2**	6.0
Service options	**—**	0.1	**—**	—
Market options	—	0.1	—	(2.3)
Total stock-based compensation expense	**$ 8.5**	$ 4.1	**$ 17.9**	$ 5.8

PRSUs

In the first six months of 2026, we granted a target amount of approximately 0.3 million PRSUs to certain executive officers of the Company. Three quarters of the PRSUs vest if and to the extent that the Company's cumulative Adjusted EBITDA ("Adjusted EBITDA PRSUs") attains certain specified goals over three years. The other one quarter of the PRSUs vest if and to the extent that the Company's total shareholder return over three years relative to that of companies within the S&P SmallCap 600 ("TSR PRSUs") exceeds certain levels. The amount of PRSUs actually earned and paid in shares of common stock following the performance period will be 0% for below threshold performance, 50% for threshold performance, 100% for target performance and up to 200% for achieving maximum performance or higher. Linear interpolation is used to calculate the percentage of PRSUs earned and paid if performance falls between the levels. The weighted average grant date fair value of the Adjusted EBITDA PRSUs was $29.26 per share, which was determined using the closing price of the Company's common stock on the date of grant. The weighted average grant date fair value of the TSR PRSUs was $40.54 per share and was developed with a Monte Carlo simulation using a multivariate Geometric Brownian Motion.

RSUs

In the first six months of 2026, approximately 0.5 million RSUs were granted to certain executive officers and management members of the Company. The RSUs are contingent upon continued employment and generally vest in three equal annual installments. The fair value of RSUs is the value of the Company's common stock at the date of grant and the weighted average grant date fair value of the RSUs was $29.27 per share.

Common Share Repurchase Programs

In October 2019, the board of directors authorized a repurchase of up to $300 million of the Company's outstanding common stock, par value $0.01 per share, which authorization was subsequently amended and extended. In April 2025, the board of directors approved a new share repurchase authorization of up to $250 million of the Company's outstanding common stock through December 31, 2026. This share repurchase program replaced the 2019 share repurchase program. At June 30, 2026, approximately $156.6 million of the Company's outstanding common stock remained available for repurchase under the 2025 share repurchase program. Repurchases may be made in the open market or through privately negotiated transactions, in accordance with applicable securities laws and regulations, including pursuant to repurchase plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing and amount of any repurchases is subject to market and other conditions. This program does not oblige the Company to repurchase any dollar amount or any number of shares under the authorization, and the program may be suspended, discontinued or modified at any time, for any reason and without notice. For the three and six months ended June 30, 2026, we repurchased and retired 602,100 shares and 1,565,727 shares of common stock, respectively, in the open market at a weighted average price of $36.39 per share and $30.73 per share, respectively, under the 2025 share repurchase program. At June 30, 2026, there was approximately $0.1 million in "Other accrued expenses" on the consolidated balance sheet representing the amount payable for unsettled share repurchases made on the last day of the quarter, June 30, 2026. For the three and six months ended June 30, 2025, we repurchased and retired 413,188 shares of common stock in the open market at a weighted average price of $22.64 per share under the 2025 share repurchase program. For the three months ended March 31, 2025, we repurchased and retired 2,900 shares of common stock in the open market at a weighted average price of $19.98 per share under the 2019 share repurchase program.

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Note 3—Net Income Per Share

The following table sets forth the computation of net income per share *(in millions except per share amounts)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income	**$ 44.3**	$ 33.4	**$ 93.2**	$ 70.3
Series A Preferred Stock dividends	**(3.3)**	(11.1)	**(8.6)**	(22.2)
Net income attributable to participating securities	**(3.4)**	(5.6)	**(9.3)**	(12.0)
Net income attributable to common stockholders	**$ 37.6**	$ 16.7	**$ 75.3**	$ 36.1
Weighted average common shares outstanding	**114.7**	107.5	**110.6**	107.3
Effect of dilutive stock options and restricted stock awards	**2.5**	1.1	**2.3**	1.3
Weighted average common shares outstanding and potential common shares	**117.2**	108.6	**112.9**	108.6
Net income per share				
Basic	**$ 0.33**	$ 0.16	**$ 0.68**	$ 0.34
Diluted	**$ 0.32**	$ 0.15	**$ 0.67**	$ 0.33

The Company includes participating securities (Series A Preferred Stock) in the computation of net income per share pursuant to the two-class method. The two-class method of calculating net income per share is an allocation method that calculates earnings per share for common stock and participating securities. Under the two-class method, total dividends provided to the holders of the Series A Preferred Stock and undistributed earnings allocated to participating securities are subtracted from net income in determining net income attributable to common stockholders. The weighted average common shares outstanding used in the basic and diluted net income per share calculations for the three and six months ended June 30, 2026, reflect the additional common shares resulting from the conversion of the remaining Series A Preferred Stock into shares of common stock in May 2026, weighted from the dates of conversion.

The effect of stock options and restricted stock on net income per share-diluted is determined through the application of the treasury stock method, whereby net proceeds received by the Company based on assumed exercises are hypothetically used to repurchase our common stock at the average market price during the period. Stock options that would have an anti-dilutive effect on net income per diluted share, unexercisable market options and PRSUs subject to performance conditions which have not yet been satisfied are excluded from the calculations. No service options were excluded from the calculation of diluted net income per share for the three and six months ended June 30, 2026 and 2025. Approximately 0.3 million market options were excluded from the calculation of diluted net income per share for the three and six months ended June 30, 2026, and approximately 2.3 million market options were excluded from the calculation of diluted net income per share for the three and six months ended June 30, 2025. In addition, approximately 0.5 million PRSUs were excluded from the calculation of diluted net income per share for the three and six months ended June 30, 2026, and approximately 1.1 million PRSUs were excluded from the calculation of diluted net income per share for the three and six months ended June 30, 2025. Total options outstanding at June 30, 2026 and 2025 were 2.3 million and 3.3 million, respectively.

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Note 4—Finance Receivables and Obligations Collateralized by Finance Receivables

AFC sells the majority of its U.S. dollar denominated finance receivables on a revolving basis and without recourse to a wholly-owned, bankruptcy remote, consolidated, special purpose subsidiary ("AFC Funding Corporation"), established for the purpose of purchasing AFC's finance receivables. A securitization agreement allows for the revolving sale by AFC Funding Corporation to a group of bank purchasers of undivided interests in certain finance receivables subject to committed liquidity. The agreement expires on January 31, 2028. AFC Funding Corporation had committed liquidity of $2.0 billion for U.S. finance receivables at June 30, 2026.

We also have an agreement for the securitization of Automotive Finance Canada Inc.'s ("AFCI") receivables, which expires on January 31, 2028. AFCI's committed facility is provided through a third-party conduit (separate from the U.S. facility) and was C$500 million at June 30, 2026. The receivables sold pursuant to both the U.S. and Canadian securitization agreements are accounted for as secured borrowings.

The following tables present quantitative information about delinquencies, credit loss charge-offs less recoveries ("net credit losses") and components of securitized financial assets and other related assets managed. For purposes of this illustration, delinquent receivables are defined as receivables 31 days or more past due.

	June 30, 2026			
	Total Amount of:			
(in millions)	**Receivables**	**Receivables Delinquent**	**Net Credit Losses Three Months Ended June 30, 2026**	**Net Credit Losses Six Months Ended June 30, 2026**
Floorplan receivables	**$ 2,622.5**	**$ 15.1**	**$ 7.5**	**$ 14.6**
Other loans	**—**	**—**	**—**	**—**
Total receivables managed	**$ 2,622.5**	**$ 15.1**	**$ 7.5**	**$ 14.6**
Accrued interest and fees	**28.6**			
Allowance for credit losses	**(30.0)**			
Finance receivables, net	**$ 2,621.1**			

	December 31, 2025			
	Total Amount of:			
(in millions)	**Receivables**	**Receivables Delinquent**	**Net Credit Losses Three Months Ended June 30, 2025**	**Net Credit Losses Six Months Ended June 30, 2025**
Floorplan receivables	$ 2,423.5	$ 9.3	$ 7.3	$ 15.6
Other loans	—	—	3.0	3.0
Total receivables managed	$ 2,423.5	$ 9.3	$ 10.3	$ 18.6
Accrued interest and fees	29.4			
Allowance for credit losses	(27.5)			
Finance receivables, net	$ 2,425.4			

The following is a summary of the changes in the allowance for credit losses related to finance receivables (*in millions*):

	June 30, 2026	June 30, 2025
Allowance for Credit Losses		
Balance at December 31	**$ 27.5**	$ 19.8
Provision for credit losses	**17.2**	17.5
Recoveries	**4.3**	4.4
Less charge-offs	**(18.9)**	(23.0)
Other	**(0.1)**	0.3
Balance at end of period	**$ 30.0**	$ 19.0

As of June 30, 2026 and December 31, 2025, finance receivables (inclusive of accrued interest and fees) totaling $2,643.8 million and $2,448.2 million, respectively, served as security for the obligations collateralized by finance receivables. In addition, a cash reserve of 1 or 3 percent of the obligations collateralized by finance receivables was also maintained as security. The amount of the cash reserve depends on circumstances which are set forth in the securitization agreements. The amount above for December 31, 2025, reflects the correction of an error from the $2,803.5 million previously disclosed in the 2025 Form 10-K. Obligations collateralized by finance receivables consisted of the following (*in millions*):

	June 30, 2026	December 31, 2025
Obligations collateralized by finance receivables, gross	**$ 1,897.1**	$ 1,771.7
Unamortized securitization issuance costs	**(10.1)**	(13.4)
Obligations collateralized by finance receivables	**$ 1,887.0**	$ 1,758.3

Proceeds from the revolving sale of receivables to the bank facilities are used to fund new loans to customers. AFC, AFC Funding Corporation and AFCI must maintain certain financial covenants including, among others, limits on the amount of debt AFC and AFCI can incur, minimum levels of tangible net worth, and other covenants tied to the performance of the finance receivables portfolio. The securitization agreements also incorporate the financial covenants of our Credit Agreement. At June 30, 2026, we were in compliance with the covenants in the securitization agreements.

Note 5—Goodwill and Other Intangible Assets

Goodwill consisted of the following (*in millions*):

	Marketplace	Finance	Total
Balance at December 31, 2025 [1][2]	$ 1,002.6	$ 240.9	$ 1,243.5
Foreign currency	(7.4)	—	(7.4)
Balance at June 30, 2026 [1][2]	**$ 995.2**	**$ 240.9**	**$ 1,236.1**

[1] Marketplace amounts are net of accumulated goodwill impairment charges of $250.8 million at June 30, 2026 and December 31, 2025.

[2] Finance amounts are net of accumulated goodwill impairment charges of $161.5 million at June 30, 2026 and December 31, 2025.

Goodwill represents the excess cost over fair value of identifiable net assets of businesses acquired. The Company tests goodwill and indefinite-lived tradenames for impairment at the reporting unit level annually during the second quarter, or more frequently if events or changes in circumstances indicate that impairment may exist. No impairment was identified during the annual impairment assessment in the second quarter of 2026 nor at any other point in 2026.

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Note 6—Long-Term Debt

Long-term debt consisted of the following *(in millions)*:

	Interest Rate*		Maturity	June 30, 2026	December 31, 2025
2025 Incremental Term Loans	Adjusted Term SOFR	+ 2.50%	October 8, 2032	**$ 547.2**	$ 550.0
Revolving Credit Facility	Adjusted Term SOFR	+ 2.25%	June 23, 2028	—	—
Canadian Revolving Credit Facility	Adjusted Term CORRA	+ 2.50%	June 23, 2028	—	—
European lines of credit	Euribor	+ 1.25%	Repayable upon demand	—	—
Total debt				**$ 547.2**	$ 550.0

*The interest rates presented in the table above represent the rates in place at June 30, 2026. There were no short-term borrowings outstanding at June 30, 2026 or December 31, 2025.

Credit Facilities

On June 23, 2023, we entered into the Credit Agreement, which provides for, among other things, the $325 million Revolving Credit Facility. On January 19, 2024, the Company and ADESA Auctions Canada Corporation, a subsidiary of the Company (the "Canadian Borrower") entered into the First Amendment Agreement (the "First Amendment") to the Credit Agreement. The First Amendment provides for, among other things, (i) a C$175 million revolving credit facility in Canadian dollars (the "Canadian Revolving Credit Facility" and, together with the Revolving Credit Facility, "the Revolving Credit Facilities") and (ii) a C$50 million sub-limit (the "Canadian Sub-limit") under the Company's Revolving Credit Facility for borrowings in Canadian dollars.

The Revolving Credit Facility is available for letters of credit, working capital, permitted acquisitions and general corporate purposes. The Revolving Credit Facility also includes a $65 million sub-limit for the issuance of letters of credit and a $60 million sub-limit for swingline loans.

On October 8, 2025, we entered into a Second Amendment Agreement (the "Second Amendment") to the Credit Agreement that provides for, among other things, incremental term loans in an aggregate principal amount equal to $550.0 million (the "2025 Incremental Term Loans"). The proceeds of the 2025 Incremental Term Loans were used to finance the repurchase of shares of Series A Preferred Stock and to pay fees and expenses incurred in connection with the establishment of the loans. The 2025 Incremental Term Loans are due in October 2032. We capitalized approximately $6.1 million of debt issuance costs in connection with the Second Amendment. The 2025 Incremental Term Loans bear interest, at the Company's election based on the type of borrowing, at a rate equal to (i) the Adjusted Term SOFR Rate plus a margin of 2.50% (for Term Benchmark Loans or RFR Loans, each as defined in the Credit Agreement) or (ii) the Base Rate plus a margin of 1.50% (for Base Rate Loans, as defined in the Credit Agreement).

The 2025 Incremental Term Loans were issued at a discount of $2.7 million and the discount is being amortized using the effective interest method to interest expense over the term of the loans. The 2025 Incremental Term Loans are payable in quarterly installments equal to 0.25% of the original aggregate principal amount. Such payments commenced on March 31, 2026, with the balance payable at the maturity date.

The obligations of the Company under the 2025 Incremental Term Loans and the Revolving Credit Facility are guaranteed by certain of our domestic subsidiaries (the "Subsidiary Guarantors") and are secured by substantially all of the assets of the Company and the Subsidiary Guarantors, including but not limited to: (a) pledges of and first priority security interests in 100% of the equity interests of certain of the Company's and the Subsidiary Guarantors' domestic subsidiaries and 65% of the equity interests of certain of the Company's and the Subsidiary Guarantors' first tier foreign subsidiaries and (b) first priority security interests in substantially all other assets of the Company and each Subsidiary Guarantor, subject to certain exceptions. The Credit Agreement contains affirmative and negative covenants that we believe are usual and customary for a senior secured credit agreement. The negative covenants include, among other things, limitations on asset sales, mergers and acquisitions, indebtedness, liens, dividends, investments and transactions with our affiliates. The Credit Agreement also requires us to maintain a maximum Consolidated Senior Secured Net Leverage Ratio, not to exceed 3.5 as of the last day of each fiscal quarter on which any loans under the Revolving Credit Facilities are outstanding. We were in compliance with the applicable covenants in the Credit Agreement at June 30, 2026.

The obligations of the Canadian Borrower under the Canadian Revolving Credit Facility are guaranteed by certain of the Company's domestic and Canadian subsidiaries (the "Canadian Revolving Credit Facility Subsidiary Guarantors") and are secured by substantially all of the assets of the Company, the Canadian Borrower and the Canadian Revolving Credit Facility Subsidiary Guarantors, subject to certain exceptions; provided, however, the Canadian Borrower and the other Canadian subsidiaries of the Company constituting the Canadian Revolving Credit Facility Subsidiary Guarantors shall guarantee and/or provide security for only the Canadian Secured Obligations (as defined in the Credit Agreement).

Loans under the Revolving Credit Facility bear interest at a rate calculated based on the type of borrowing (at the Company's election, either Adjusted Term SOFR Rate or Base Rate (each as defined in the Credit Agreement)) and the Company's Consolidated Senior Secured Net Leverage Ratio (as defined in the Credit Agreement), with such rate ranging from 2.75% to 2.25% for Adjusted Term SOFR Rate loans and from 1.75% to 1.25% for Base Rate loans. The Company also pays a commitment fee between 25 to 35 basis points, payable quarterly, on the average daily unused amount of the Revolving Credit Facility based on the Company's Consolidated Senior Secured Net Leverage Ratio.

Loans under the Canadian Revolving Credit Facility bear interest at a rate calculated based on the type of borrowing (at the Canadian Borrower's election, either Adjusted Term CORRA Rate or Canadian Prime Rate (each as defined in the Credit Agreement)) and the Company's Consolidated Senior Secured Net Leverage Ratio, with such rate ranging from 3.00% to 2.50% for Adjusted Term CORRA Rate loans and from 2.00% to 1.50% for Canadian Prime Rate loans. Loans under the Canadian Sub-limit will bear interest at the Adjusted Term CORRA Rate plus a margin ranging from 2.75% to 2.25% based on the Company's Consolidated Senior Secured Net Leverage Ratio (the same margin as loans under the existing Revolving Credit Facility). The Canadian Borrower will also pay a commitment fee between 25 to 35 basis points, payable quarterly, on the average daily unused amount of the Canadian Revolving Credit Facility based on the Company's Consolidated Senior Secured Net Leverage Ratio.

Debt discounts and issuance costs are presented as a direct reduction from the amount of the related debt liability to arrive at the carrying amount. Unamortized debt discounts and issuance costs totaled $12.5 million and $14.4 million at June 30, 2026 and December 31, 2025, respectively.

As of June 30, 2026 and December 31, 2025, there were no borrowings on the Revolving Credit Facilities. We had related outstanding letters of credit in the aggregate amount of $42.6 million at June 30, 2026 and December 31, 2025, which reduce the amount available for borrowings under the Revolving Credit Facilities. As of June 30, 2026 there was an additional $405.7 million available for borrowing under the Revolving Credit Facilities. When drawn upon, the Revolving Credit Facilities are classified as current debt based on the Company's past practice of using the Revolving Credit Facilities for short term borrowings. However, the terms of the Revolving Credit Facilities do not require repayment until June 23, 2028.

European Lines of Credit

OPENLANE Europe has lines of credit aggregating $45.7 million (€40 million). The lines of credit had an aggregate $0.0 million of borrowings outstanding at June 30, 2026 and December 31, 2025. The lines of credit are secured by certain inventory and receivables at OPENLANE Europe subsidiaries.

Fair Value of Debt

As of June 30, 2026 and December 31, 2025, the estimated fair value of our long-term debt amounted to $548.6 million and $550.0 million, respectively. The estimates of fair value were based on broker-dealer quotes (Level 2 inputs) for our debt as of June 30, 2026 and December 31, 2025. The estimates presented on long-term financial instruments are not necessarily indicative of the amounts that would be realized in a current market exchange.

Note 7—Other Income, Net

Other income, net consisted of the following (*in millions*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Realized gain on investment securities	**$ (1.3)**	$ —	**$ (1.3)**	$ —
Foreign currency gains	**(1.2)**	(5.6)	**(1.2)**	(8.9)
Other	**(1.1)**	(1.8)	**(2.7)**	(3.5)
Other income, net	**$ (3.6)**	$ (7.4)	**$ (5.2)**	$ (12.4)

Fair Value Measurement of Investments

The Company invests in certain early-stage automotive companies and funds that relate to the automotive industry. We believe these investments have resulted in the expansion of relationships in the vehicle remarketing industry. As of June 30, 2026, the Company had no investment securities measured at fair value (based on quoted market prices for identical assets or Level 1 of the fair value hierarchy). ASC 820, *Fair Value Measurement*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Other investments held of $30.1 million do not have readily determinable fair values and the Company has elected to apply the measurement alternative to these investments and present them at cost. Investments are reported in "Other assets" in the accompanying consolidated balance sheets. Realized and unrealized gains and losses are reported in "Other income, net" in the consolidated statements of income.

Note 8—Convertible Preferred Stock

In June 2020, OPENLANE completed the issuance and sale of an aggregate of 550,000 shares of the Company's Series A Convertible Preferred Stock, par value $0.01 per share (the "Series A Preferred Stock"), in two closings at a purchase price of $1,000 per share (for the second closing, plus accumulated dividends from and including the first closing date to but excluding the second closing date on June 29, 2020) for an aggregate purchase price of approximately $550 million to an affiliate of Ignition Parent LP ("Apax") and an affiliate of Periphas Capital GP, LLC ("Periphas").

In October 2025, OPENLANE completed the repurchase of 334,028 shares of the Series A Preferred Stock from affiliates of Apax and Periphas for an aggregate repurchase price of approximately $559.3 million. The repurchased shares of Series A Preferred Stock were subsequently canceled. OPENLANE recorded a deemed dividend of approximately $242.2 million that reduced income (loss) from continuing operations attributable to common stockholders in 2025. The deemed dividend was calculated as the difference between the repurchase price (inclusive of $5.6 million in excise tax which was paid in the second quarter of 2026) and the carrying amount. The shares of Series A Preferred Stock were repurchased primarily with proceeds from the 2025 Incremental Term Loans.

In May 2026, the holders of the Series A Preferred Stock elected to convert the remaining 300,277 shares of Series A Preferred Stock into 17,103,116 shares of common stock (the "Conversion") pursuant to the Certificate of Designations of the Series A Preferred Stock (a non-cash transaction), which included approximately $3.3 million in accrued dividends through the dates of conversion.

Following the Conversion, the Company filed a Certificate of Elimination with the Secretary of State of the State of Delaware eliminating the Series A Preferred Stock, and the shares that were designated as Series A Preferred Stock were returned to the status of authorized but unissued shares of preferred stock of the Company, without designation as to series. As such, at June 30, 2026, there were no Series A Preferred Stock shares outstanding and the related temporary equity balance was reduced to zero. The $289.8 million previously classified as temporary equity on the consolidated balance sheet was reclassified to stockholders' equity in connection with the conversion. At June 30, 2026, there were 100,000,000 shares of preferred stock authorized and unissued with a par value of $0.01 per share.

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Note 9—Commitments and Contingencies

We are involved in litigation and disputes arising in the ordinary course of business, such as actions related to injuries; property damage; handling, storage or disposal of vehicles; environmental laws and regulations; and other litigation incidental to the business such as employment matters and dealer disputes. Management considers the likelihood of loss or the incurrence of a liability, as well as the ability to reasonably estimate the amount of loss, in determining loss contingencies. We accrue an estimated loss contingency when it is probable that a liability has been incurred and the amount of loss (or range of possible losses) can be reasonably estimated. Management regularly evaluates current information available to determine whether accrual amounts should be adjusted. Accruals for contingencies including litigation and environmental matters are included in "Other accrued expenses" at undiscounted amounts and exclude claims for recoveries from insurance or other third parties. These accruals are adjusted periodically as assessment and remediation efforts progress, or as additional technical or legal information becomes available. If the amount of an actual loss is greater than the amount accrued, this could have an adverse impact on our operating results in that period. Although the outcome of litigation cannot be accurately predicted, based on evaluation of information presently available, our management does not currently believe that the ultimate resolution of these actions will have a material adverse effect on our financial condition, results of operations or cash flows. Legal fees are expensed as incurred. There has been no significant change in the legal and regulatory proceedings which were disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Note 10—Segment Information

ASC 280, *Segment Reporting*, requires reporting of segment information that is consistent with the manner in which the chief operating decision maker ("CODM") operates and views the Company. OPENLANE's CODM is the Chief Executive Officer. Our operations are grouped into two operating segments: Marketplace and Finance, which also serve as our reportable business segments. These reportable business segments offer different services and have fundamental differences in their operations. This segment structure reflects the financial information used by our CODM to make decisions regarding the business, including resource allocations and performance assessments. The Company's method for measuring profitability on a reportable segment basis is operating profit (loss). The CODM considers history-to-actual, budget-to-actual and forecast-to-actual results to assess the performance of the segments and in allocating resources.

Marketplace encompasses all wholesale marketplaces throughout North America and Europe. The Marketplace segment relates to used vehicle remarketing, including marketplace services, remarketing, or make ready services and all are interrelated, synergistic elements along the auto remarketing chain.

The Finance segment (through AFC) is primarily engaged in the business of providing short-term, inventory-secured financing to independent vehicle dealers. AFC conducts business primarily at or near wholesale used vehicle auctions in the U.S. and Canada and other areas where there is a concentration of AFC customers.

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Financial information regarding our reportable segments is set forth below for the three months ended June 30, 2026 *(in millions)*:

	Marketplace	Finance	Consolidated
Operating revenues	$ 447.3	$ 107.3	$ 554.6
Operating expenses			
Cost of services (exclusive of depreciation and amortization)	288.0	18.4	306.4
Finance interest expense	—	25.7	25.7
Provision for credit losses	1.4	7.5	8.9
Selling, general and administrative	109.9	13.9	123.8
Depreciation and amortization	19.1	3.2	22.3
Total operating expenses			487.1
Operating profit	28.9	38.6	67.5
Interest expense			10.0
Other income, net			(3.6)
Income before income taxes			61.1
Income taxes			16.8
Net income			$ 44.3

Financial information regarding our reportable segments is set forth below for the three months ended June 30, 2025 *(in millions)*:

	Marketplace	Finance	Consolidated
Operating revenues	$ 375.5	$ 106.2	$ 481.7
Operating expenses			
Cost of services (exclusive of depreciation and amortization)	236.6	17.8	254.4
Finance interest expense	—	26.9	26.9
Provision for credit losses	0.2	8.5	8.7
Selling, general and administrative	99.9	14.4	114.3
Depreciation and amortization	19.9	3.1	23.0
Loss on sale of property	7.0	—	7.0
Total operating expenses			434.3
Operating profit	11.9	35.5	47.4
Interest expense			3.1
Other income, net			(7.4)
Income before income taxes			51.7
Income taxes			18.3
Net income			$ 33.4

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Financial information regarding our reportable segments is set forth below as of and for the six months ended June 30, 2026 *(in millions)*:

	Marketplace	Finance	Consolidated
Operating revenues	$ 868.8	$ 213.7	$ 1,082.5
Operating expenses			
Cost of services (exclusive of depreciation and amortization)	542.2	35.9	578.1
Finance interest expense	—	50.5	50.5
Provision for credit losses	2.0	17.2	19.2
Selling, general and administrative	220.0	28.2	248.2
Depreciation and amortization	38.8	6.4	45.2
Total operating expenses			941.2
Operating profit	65.8	75.5	141.3
Interest expense			20.1
Other income, net			(5.2)
Income before income taxes			126.4
Income taxes			33.2
Net income			$ 93.2
Total assets	$ 2,036.2	$ 2,970.2	$ 5,006.4
Capital expenditures	$ 25.3	$ 1.6	$ 26.9

Financial information regarding our reportable segments is set forth below as of and for the six months ended June 30, 2025 *(in millions)*:

	Marketplace	Finance	Consolidated
Operating revenues	$ 726.7	$ 215.1	$ 941.8
Operating expenses			
Cost of services (exclusive of depreciation and amortization)	461.1	34.9	496.0
Finance interest expense	—	54.5	54.5
Provision for credit losses	0.5	17.5	18.0
Selling, general and administrative	194.6	26.9	221.5
Depreciation and amortization	39.6	6.1	45.7
Loss on sale of property	7.0	—	7.0
Total operating expenses			842.7
Operating profit	23.9	75.2	99.1
Interest expense			7.1
Other income, net			(12.4)
Income before income taxes			104.4
Income taxes			34.1
Net income			$ 70.3
Total assets	$ 1,924.7	$ 2,713.6	$ 4,638.3
Capital expenditures	$ 24.2	$ 1.9	$ 26.1

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Geographic Information

Our foreign operations include Canada, Continental Europe and the U.K. Approximately 58% and 56% of our foreign operating revenues were from Canada for the three and six months ended June 30, 2026, respectively, and approximately 53% of our foreign operating revenues were from Canada for the three and six months ended June 30, 2025. Most of the remaining foreign operating revenues were generated from Continental Europe. Long-lived assets are defined as long-term assets other than financial instruments and deferred tax assets. Information regarding the geographic areas of our operations is set forth below *(in millions)*:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating revenues				
U.S.	**$ 339.2**	$ 272.6	**$ 656.7**	$ 542.9
Foreign	**215.4**	209.1	**425.8**	398.9
	$ 554.6	$ 481.7	**$ 1,082.5**	$ 941.8

	June 30, 2026	**December 31, 2025**
Long-lived assets		
U.S.	**$ 919.4**	$ 935.0
Foreign	**719.5**	735.9
	$ 1,638.9	$ 1,670.9

Note 11—Subsequent Event

In July 2026, we repurchased and retired 133,188 shares of common stock in the open market at a weighted average price of $40.06 per share, aggregating $5.3 million, pursuant to the 2025 share repurchase program described in Note 2.

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and which are subject to certain risks, trends and uncertainties. In particular, statements made in this report that are not historical facts (including, but not limited to, expectations, estimates, assumptions and projections regarding the industry, business, future operating results, anticipated cash requirements and macroeconomic conditions) may be forward-looking statements. Words such as "should," "may," "will," "would," "could," "can," "of the opinion," "confident," "anticipates," "expects," "intends," "plans," "predicts," "projects," "believes," "seeks," "estimates," "continues," "contemplates," "outlook," "position," "initiatives," "goals," "targets," "opportunities" and similar expressions identify forward-looking statements. Such statements, including statements regarding market conditions; our future growth and profitability; anticipated cost savings; revenue increases, credit losses and capital expenditures; contractual obligations; common stock repurchases; changes in the value of foreign currencies relative to the U.S. dollar; tax rates and assumptions; the effects of macroeconomic conditions and geopolitical events (including but not limited to tariffs and trade policies) on our business and industry; business strategies; strategic initiatives, acquisitions and dispositions; business and industry trends and challenges; our competitive position and retention of customers; our use of artificial intelligence technologies; and our continued investment in information technology, among others, are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section entitled "Risk Factors" in this report and Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, filed on February 18, 2026, and those described from time to time in our future reports filed with the Securities and Exchange Commission. Many of these risk factors are outside of our control, and as such, they involve risks which are not currently known that could cause actual results to differ materially from those discussed or implied herein. Moreover, we operate in a competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this report. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this report may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. In addition, the global economic climate and general market, political, economic, and business conditions may amplify many of these risks. The forward-looking statements in this report are made as of the date of this report and we do not undertake to update our forward-looking statements.

Automotive Industry and Economic Impacts on our Business

We are dependent on the supply of used vehicles in the wholesale market, and our financial performance depends, in part, on conditions in the automotive industry. The supply chain issues and market conditions the automotive industry experienced in 2020-2023, including the disruption of new vehicle production, low new vehicle supply and historically high used vehicle pricing have had a material impact on the wholesale used vehicle industry. New vehicle supply has begun to recover, and this has resulted in wholesale vehicle supply also starting to increase. New lease originations have remained healthy for the last several quarters. As these leases begin maturing in 2026 and beyond, we expect a higher volume of off-lease vehicles available to the wholesale used vehicle industry, with much of that volume expected to flow through OPENLANE first as we support the majority of commercial sellers with off-lease vehicle inventory in North America.

However, macroeconomic and geopolitical factors, including the conflict with Iran and inflationary pressures, interest rates, volatility of oil and natural gas prices and consumer confidence continue to impact the affordability and demand for new and used vehicles. In addition, increases in fuel prices, including as a result of the conflict with Iran, have increased transportation and logistics costs for the wholesale used vehicle industry. Further, the continuously evolving tariff and trade environment continues to be a source of uncertainty in the automotive industry. Due to their evolving nature, we cannot predict whether or for how long certain trends will continue, nor to what degree these trends will impact us in the future.

Overview

OPENLANE is a leading digital marketplace for wholesale used vehicles operating in the United States, Canada and Europe. Our technology and people connect the leading automotive manufacturers, dealers, rental companies, fleet operators, captive finance and lending institutions as buyers and sellers, which facilitated approximately 1.5 million vehicle transactions with a gross merchandise value ("GMV") of $28.8 billion in 2025. GMV represents the total dollar value of vehicles sold through our marketplaces and serves as an indicator of the health and scale of our digital platforms. Our portfolio of integrated technology, data analytics, financing, logistics and other remarketing solutions, combined with our vehicle logistics centers in Canada, power transactions on our marketplace and help advance our purpose: to make wholesale easy so our customers can be more

successful. Our business is divided into two reportable business segments, each of which is an integral part of the wholesale used vehicle remarketing industry: Marketplace and Finance.

- The Marketplace segment serves its customer base through digital marketplaces in the U.S., Canada and Europe and vehicle logistics center locations in Canada. Comprehensive SaaS-based private label remarketing solutions are offered to automobile manufacturers, captive finance companies and other commercial customers to digitally offer vehicles for sale. Vehicles sold on our digital platforms are typically sold by new and used vehicle dealers, commercial fleet operators, financial institutions, rental car companies, and vehicle manufacturers and their captive finance companies to dealer customers. We also provide value-added ancillary services including inbound and outbound transportation logistics, reconditioning, vehicle inspection and certification, titling, administrative and collateral recovery services.
- Through AFC, the Finance segment provides short-term, inventory-secured financing, known as floorplan financing, primarily to independent vehicle dealers throughout the United States and Canada. In addition, AFC provides liquidity for customer trade-ins which can encompass settling lienholder payoffs. AFC also provides title services for their customers throughout North America. AFC is highly complementary to OPENLANE's marketplace business, extending credit to increase marketplace transactions, leveraging AFC's local dealer base to increase marketplace registrations and engagement, and providing a channel through which to bundle marketplace products and services.

Industry Trends

Wholesale Used Vehicle Industry

We believe the U.S. and Canadian wholesale used vehicle industry has a total addressable market of approximately 15 million vehicles, which can fluctuate depending on seasonality and a variety of other macro-economic and industry factors. This wholesale used vehicle industry consists of the commercial market (commercial sellers that sell to franchise and independent dealers) and the dealer-to-dealer market (franchise and independent dealers that both buy and sell vehicles). The Company supports the majority of commercial off-lease sellers in North America with our SaaS-based technology, and we believe digital applications in general may provide an opportunity to expand the total addressable market for dealer-to-dealer transactions. The supply chain issues and market conditions the automotive industry experienced in 2020-2023, including the disruption of new vehicle production, low new vehicle supply and historically high used vehicle pricing have had a material impact on the wholesale used vehicle industry. New vehicle supply has begun to recover, and this has resulted in wholesale vehicle supply also starting to increase. New lease originations have remained healthy for the last several quarters. As these leases begin maturing in 2026 and beyond, we expect a higher volume of off-lease vehicles available to the wholesale used vehicle industry, with much of that volume flowing through OPENLANE first as we support the majority of commercial sellers with off-lease vehicle inventory in North America. However, the conflict with Iran, as well as tariffs and related trade disputes, could impact the number of off-lease vehicles that are available to the wholesale used vehicle industry.

Automotive Finance

AFC works with independent vehicle dealers to improve their results by providing a comprehensive set of business and financial solutions that leverage its local presence of branches and in-market representatives, industry experience and scale, as well as OPENLANE affiliations. Throughout 2025, AFC's North American dealer base was comprised of approximately 15,000 unique independent dealers.

Key challenges for the independent vehicle dealers include demand for used vehicles, disruptions in pricing of used vehicle inventory, access to consumer financing, increased interest rates and increased used car retail activity of franchise and public dealerships (most of which do not utilize AFC or its competitors for floorplan financing). These same challenges, to the extent they occur, could result in a material negative impact on AFC's results of operations. A significant decline in used vehicle sales as a result of a decrease in consumer auto loan originations or other factors listed above, could result in an increased number of dealers defaulting on their loans. In addition, volatility in wholesale vehicle pricing impacts the value of recovered collateral on defaulted loans and the resulting severity of credit losses at AFC. A decrease in wholesale used car pricing could lead to increased losses if dealers are unable to satisfy their obligations.

Seasonality

The volume of vehicles sold through our marketplaces generally fluctuates from quarter-to-quarter. This seasonality is caused by several factors including weather, the timing of used vehicles available for sale from selling customers, holidays, and the seasonality of the retail market for used vehicles, which affects the demand side of the auction industry. Wholesale used vehicle volumes tend to decline during prolonged periods of winter weather conditions. As a result, revenues and operating expenses related to volume will fluctuate accordingly on a quarterly basis. In North America, the fourth calendar quarter typically experiences lower used vehicle volume as well as additional costs associated with the holidays and winter weather.

In addition, changes in working capital vary from quarter-to-quarter as a result of the timing of collections and disbursements of funds to consignors from marketplace sales held near period end. Furthermore, variability in AFC's finance receivables portfolio commonly results in changes to working capital.

Sources of Revenues and Expenses

The vehicles sold on our marketplaces generate auction fees from buyers and sellers. The Company generally does not take title to these consigned vehicles and records only its auction fees as revenue ("Auction fees") because it has no influence on the vehicle auction selling price agreed to by the seller and the buyer at the auction. The Company does not record the gross selling price of the consigned vehicles sold at auction as revenue. The Company generally enforces its rights to payment for seller transactions through net settlement provisions following the sale of a vehicle. Marketplace services such as certain inbound and outbound transportation logistics, reconditioning and vehicle inspection and certification ("related fees") are generally recognized at the time of service. Auction fees together with the related fees are presented as "Auction and related fees" in the consolidated statements of income. Our Software as a Service ("SaaS") solutions and collateral recovery services are also generally recognized at the time of service ("SaaS and other revenue" in the consolidated statements of income). The Company also sells vehicles that have been purchased, which represent approximately 2% of the total volume of vehicles sold. For these types of sales, the Company does record the gross selling price of purchased vehicles sold at auction as revenue ("Purchased vehicle sales" in the consolidated statements of income) and the gross purchase price of the vehicles as "Cost of services." AFC's revenue ("Finance revenue" in the consolidated statements of income) is comprised of interest revenue and fee and other revenue associated with our finance receivables. AFC's interest revenue is generally determined based on the applicable prime rate plus a margin.

Although Marketplace revenues include Auction and related fees, our related receivables and payables include the gross value of the vehicles sold. Trade receivables include the unremitted purchase price of vehicles purchased by third parties through our marketplaces, fees to be collected from those buyers and amounts due for services provided by us related to certain consigned vehicles. The amounts due with respect to the services provided by us related to certain consigned vehicles are generally deducted from the sales proceeds upon the eventual auction or other disposition of the related vehicles. Accounts payable include amounts due sellers from the proceeds of the sale of their consigned vehicles less any fees.

Our operating expenses consist of cost of services, finance interest expense, provision for credit losses, selling, general and administrative and depreciation and amortization. Finance interest expense includes the cost of funds on our securitization borrowings and the amortization of debt issue costs on the securitization facilities. Cost of services is composed of payroll and related costs, subcontract services, the cost of vehicles purchased, supplies, insurance, property taxes, utilities, maintenance and lease expense related to vehicle logistics centers and AFC branch locations. Selling, general and administrative expenses are comprised of payroll and related costs, sales and marketing, information technology services and professional fees.

Results of Operations

Overview of Results of OPENLANE, Inc. for the Three Months Ended June 30, 2026 and 2025:

	Three Months Ended June 30,	
(Dollars in millions except per share amounts)	**2026**	**2025**
Revenues		
Auction and related fees	**$ 259.0**	$ 213.9
SaaS and other revenue	**73.4**	63.1
Purchased vehicle sales	**114.9**	98.5
Finance revenue	**107.3**	106.2
Total operating revenues	**554.6**	481.7
Operating expenses		
Cost of services (exclusive of depreciation and amortization)	**306.4**	254.4
Finance interest expense	**25.7**	26.9
Provision for credit losses	**8.9**	8.7
Selling, general and administrative	**123.8**	114.3
Depreciation and amortization	**22.3**	23.0
Loss on sale of property	**—**	7.0
Total operating expenses	**487.1**	434.3
Operating profit	**67.5**	47.4
Interest expense	**10.0**	3.1
Other income, net	**(3.6)**	(7.4)
Income before income taxes	**61.1**	51.7
Income taxes	**16.8**	18.3
Net income	**$ 44.3**	$ 33.4
Amounts attributable to common stockholders		
Net income	**$ 44.3**	$ 33.4
Series A Preferred Stock dividends	**(3.3)**	(11.1)
Net income attributable to participating securities	**(3.4)**	(5.6)
Net income attributable to common stockholders	**$ 37.6**	$ 16.7
Net income per share		
Basic	**$ 0.33**	$ 0.16
Diluted	**$ 0.32**	$ 0.15

Overview

For the three months ended June 30, 2026, we had revenue of $554.6 million compared with revenue of $481.7 million for the three months ended June 30, 2025, an increase of 15%. For a further discussion of our operating results, see the segment results discussions below.

Depreciation and Amortization

Depreciation and amortization decreased $0.7 million, or 3%, to $22.3 million for the three months ended June 30, 2026, compared with $23.0 million for the three months ended June 30, 2025. The decrease in depreciation and amortization was primarily the result of assets that have become fully amortized and depreciated.

Interest Expense

Interest expense increased $6.9 million, or 223%, to $10.0 million for the three months ended June 30, 2026, compared with $3.1 million for the three months ended June 30, 2025. The increase in interest expense was primarily the result of new term loan borrowings in the fourth quarter of 2025, partially offset by the repayment of the senior notes in the second quarter of 2025.

Other Income, Net

For the three months ended June 30, 2026, we had other income of $3.6 million compared with $7.4 million for the three months ended June 30, 2025. The decrease in other income was primarily attributable to a decrease in foreign currency gains on intercompany balances of $4.4 million and a net decrease in other miscellaneous items aggregating $0.7 million, primarily a decrease in interest income, partially offset by a $1.3 million realized gain on investment securities.

Income Taxes

We had an effective tax rate of 27.5% for the three months ended June 30, 2026, compared with an effective tax rate of 35.4% for the three months ended June 30, 2025. The effective tax rate for the three months ended June 30, 2025 was unfavorably impacted by an increase in the valuation allowance related to 2025 current year movement of the adjusted U.S. net deferred tax asset.

Additionally, the Organization for Economic Cooperation and Development has published a proposal to establish a new global minimum corporate tax rate of 15%, commonly referred to as Pillar Two. While the U.S. has not adopted the Pillar Two framework into law, numerous countries in which we operate have enacted tax legislation based on the Pillar Two framework with certain components of the minimum tax rules effective beginning in 2024 and further rules becoming effective beginning in 2025 and subsequent years. On January 5, 2026, the OECD announced agreement amongst members that would exclude U.S. parented groups from some taxes imposed by Pillar Two. This agreement allows for the U.S. international tax rules and Pillar Two to operate in parallel. These rules, as well as changes due to the agreement, are not expected to materially impact the Company's consolidated financial statements. The Company will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

Impact of Foreign Currency

For the three months ended June 30, 2026 compared with the three months ended June 30, 2025, the change in the euro exchange rate increased revenue by $2.1 million, operating profit by $0.1 million and net income by $0.1 million. For the three months ended June 30, 2026 compared with the three months ended June 30, 2025, the change in the Canadian dollar exchange rate had no effect on revenue, operating profit and net income.

Marketplace Results

(Dollars in millions, except GMV)	Three Months Ended June 30, 2026	2025
Auction and related fees	**$ 259.0**	$ 213.9
SaaS and other revenue	**73.4**	63.1
Purchased vehicle sales	**114.9**	98.5
Total Marketplace revenue	**447.3**	375.5
Cost of services*	**305.8**	254.9
Gross profit	**141.5**	120.6
Provision for credit losses	**1.4**	0.2
Selling, general and administrative	**109.9**	99.9
Depreciation and amortization	**1.3**	1.6
Loss on sale of property	**—**	7.0
Operating profit	**$ 28.9**	$ 11.9
Commercial vehicles sold	**276,000**	198,000
Dealer consignment vehicles sold	**205,000**	182,000
Total vehicles sold	**481,000**	380,000
GMV (in billions)	**$ 10.5**	$ 7.5
Auction and related fees yield	**2.5%**	2.9%

* Includes depreciation and amortization

Total Marketplace Revenue

Revenue from the Marketplace segment increased $71.8 million, or 19%, to $447.3 million for the three months ended June 30, 2026, compared with $375.5 million for the three months ended June 30, 2025. The increase in revenue was primarily attributable to the 27% increase in the number of vehicles sold. For the three months ended June 30, 2026, there were increases in auction and related fees, purchased vehicle sales and SaaS and other revenue. The change in revenue included the impact of an increase in revenue of $2.1 million due to fluctuations in the euro exchange rate.

The 27% increase in the number of vehicles sold was comprised of a 39% increase in commercial vehicles sold and a 13% increase in dealer consignment vehicles sold. The increase in commercial vehicles sold was primarily due to the onboarding of a new private label customer and an increase in off-lease vehicles sold. The GMV of vehicles sold for the three months ended June 30, 2026 and 2025 was approximately $10.5 billion and $7.5 billion, respectively. The year-over-year increase in GMV for the three months ended June 30, 2026 was driven by the increase in vehicles sold and an increase in the average value of vehicles sold.

Auction and Related Fees

Auction and related fees increased $45.1 million, or 21%, to $259.0 million for the three months ended June 30, 2026, compared with $213.9 million for the three months ended June 30, 2025. Yield represents auction and related fees divided by GMV. Yield decreased 40 basis points to 2.5% for the three months ended June 30, 2026, compared with 2.9% for the three months ended June 30, 2025. The year-over-year decrease in consolidated yield for the three months ended June 30, 2026, was driven by an increased mix of commercial vehicles which carry lower yields than the consolidated average, as well as an increase in the average value of vehicles sold.

SaaS and Other Revenue

SaaS and other revenue increased $10.3 million, or 16%, to $73.4 million for the three months ended June 30, 2026, compared with $63.1 million for the three months ended June 30, 2025, primarily as a result of increases in SaaS revenues of $5.4 million, other repossession revenue of $4.8 million and other miscellaneous revenues aggregating approximately $0.1 million.

Purchased Vehicle Sales

The entire selling and purchase price of the vehicle is recorded as revenue and cost of services for purchased vehicles sold, which represent approximately 2% of total vehicles sold. Purchased vehicle sales increased $16.4 million, or 17%, to $114.9 million for the three months ended June 30, 2026, compared with $98.5 million for the three months ended June 30, 2025, primarily as a result of an increase in the number of purchased vehicles sold in the U.S. marketplace, partially offset by a decrease in the average selling price of purchased vehicles sold in the U.S. marketplace, and further offset by a decrease in the number of purchased vehicles sold in Europe, partially offset by an increase in the average selling price of purchased vehicles sold in Europe.

Gross Profit

For the three months ended June 30, 2026, gross profit from the Marketplace segment increased $20.9 million, or 17%, to $141.5 million, compared with $120.6 million for the three months ended June 30, 2025. Gross profit improvements were driven by a $17.1 million net increase in auction and service volumes (which is net of a decrease resulting from a higher mix of commercial vehicles sold and partially offset by $4.9 million of transportation margin compression). The gross profit improvement also included a $2.7 million increase from pricing and a $1.5 million benefit resulting from the absence of Canadian DST expense for the current period (see below). These improvements were partially offset by a decrease in other miscellaneous items aggregating $0.4 million.

Gross profit from the Marketplace segment was 31.6% of revenue for the three months ended June 30, 2026, compared with 32.1% of revenue for the three months ended June 30, 2025. Gross profit as a percentage of revenue decreased for the three months ended June 30, 2026 as compared with the three months ended June 30, 2025, primarily due to reduced margins in transportation services as a result of elevated fuel prices in North America, and an increase in purchased vehicle sales, partially offset by higher pricing and increased auction and service volumes.

As of March 31, 2026, the Company recorded a receivable of $10.0 million (C$13.9 million) within trade receivables on the consolidated balance sheet, representing the refund due for amounts previously remitted to the Canada Revenue Agency for the repeal of the Canadian Digital Services Tax in March 2026. In the second quarter of 2026, the Company received the full cash refund.

Provision for Credit Losses

Provision for credit losses from the Marketplace segment increased $1.2 million, or 600%, to $1.4 million for the three months ended June 30, 2026, compared with $0.2 million for the three months ended June 30, 2025, mainly as a result of growth in the Marketplace business.

Selling, General and Administrative

Selling, general and administrative expenses from the Marketplace segment increased $10.0 million, or 10%, to $109.9 million for the three months ended June 30, 2026, compared with $99.9 million for the three months ended June 30, 2025, primarily as a result of increases in sales-related expenses of $3.8 million, stock-based compensation of $3.4 million, compensation expense of $1.9 million, professional fees of $1.1 million and other miscellaneous expenses aggregating $1.2 million, partially offset by a decrease in severance of $1.4 million.

Loss on Sale of Property

In April 2025, the Company closed on the sale of excess property in Montreal that was originally purchased as part of the December 2023 Manheim Canada acquisition. This transaction resulted in a loss on sale of approximately $7.0 million in the second quarter of 2025.

Finance Results

(Dollars in millions)	As of and for the Three Months Ended June 30, 2026	2025
Finance revenue		
Interest revenue	**$ 56.5**	$ 55.2
Fee and other revenue	**50.8**	51.0
Total Finance revenue	**107.3**	106.2
Finance interest expense	**25.7**	26.9
Net Finance margin	**81.6**	79.3
Finance provision for credit losses	**7.5**	8.5
Cost of services (exclusive of depreciation and amortization)	**18.4**	17.8
Selling, general and administrative	**13.9**	14.4
Depreciation and amortization	**3.2**	3.1
Operating profit	**$ 38.6**	$ 35.5
Portfolio Performance Information		
Floorplans originated	**277,000**	264,000
Floorplans curtailed*	**147,000**	145,000
Total loan transaction units	**424,000**	409,000
Total receivables managed	**$ 2,622.5**	$ 2,347.4
Average receivables managed**	**$ 2,559.2**	$ 2,337.7
Allowance for credit losses	**$ 30.0**	$ 19.0
Allowance for credit losses as a percentage of total receivables managed	**1.1%**	0.8%
Annualized finance provision for credit losses as a percentage of average receivables managed	**1.2%**	1.5%
Receivables delinquent as a percentage of total receivables managed	**0.6%**	0.3%

* Floorplans curtailed represent existing loans that customers opt to extend beyond the initial term upon the customer making a partial principal payment and payment of accrued interest and fees.
** Average receivables managed is calculated based on the daily ending balance of total receivables managed.

Yields (Annualized)	Three Months Ended June 30,
% of Average Receivables Managed	**2026**	**2025**
Finance revenue yield		
Interest revenue	**8.9%**	9.5%
Fee and other revenue	**7.9%**	8.7%
Total Finance revenue yield	**16.8%**	18.2%
Finance interest expense	**4.0%**	4.6%
Net Finance margin	**12.8%**	13.6%

Revenue

For the three months ended June 30, 2026, the Finance segment revenue increased $1.1 million, or 1%, to $107.3 million, compared with $106.2 million for the three months ended June 30, 2025. The increase in revenue was primarily the result of a 4% increase in loan transaction units (vehicle finance transactions) and an increase in loan values, partially offset by decreases in interest yields driven by a decrease in average prime rates.

Finance Interest Expense

For the three months ended June 30, 2026, finance interest expense decreased $1.2 million, or 4%, to $25.7 million, compared with $26.9 million for the three months ended June 30, 2025. The decrease in finance interest expense was attributable to an approximately 0.6% decrease in the average interest rate on the securitization obligations, partially offset by an increase in the average balance on the AFC securitization obligations.

Net Finance Margin (Annualized)

For the three months ended June 30, 2026, the net Finance margin percent decreased 0.8% to 12.8%, compared with 13.6% for the three months ended June 30, 2025. The decrease was attributable to a 0.8% decrease in fee and other revenue yield driven by increasing loan values and other fee changes. The net interest yield was 4.9% for the three months ended June 30, 2026 and 2025.

Finance Provision for Credit Losses

For the three months ended June 30, 2026, the finance provision for credit losses decreased $1.0 million, or 12%, to $7.5 million, compared with $8.5 million for the three months ended June 30, 2025. The provision for credit losses decreased to 1.2% of the average receivables managed for the three months ended June 30, 2026 from 1.5% for the three months ended June 30, 2025. The provision for credit losses is expected to be approximately 2% or under, on a long-term basis, of the average receivables managed balance. However, the actual losses in any particular quarter or year could deviate from this range.

Cost of Services

For the three months ended June 30, 2026, cost of services for the Finance segment increased $0.6 million, or 3%, to $18.4 million, compared with $17.8 million for the three months ended June 30, 2025. The increase in cost of services was primarily the result of an increase in compensation expense of $1.1 million, partially offset by a decrease in inventory audit expense of $0.5 million.

Selling, General and Administrative

Selling, general and administrative expenses for the Finance segment decreased $0.5 million, or 3%, to $13.9 million for the three months ended June 30, 2026, compared with $14.4 million for the three months ended June 30, 2025 primarily as a result of decreases in compensation expense of $0.4 million, incentive-based compensation of $0.3 million, postage expense of $0.3 million and other miscellaneous expenses aggregating $0.5 million, partially offset by an increase in stock-based compensation of $1.0 million.

Select Finance Balance Sheet Items

(Dollars in millions)	**June 30, 2026**	**December 31, 2025**
Tangible Assets		
Total assets	**$ 2,970.2**	$ 2,763.6
Intangible assets	**257.2**	258.2
Tangible assets	**$ 2,713.0**	$ 2,505.4
Tangible parent equity		
Total parent equity***	**$ 821.7**	$ 792.6
Intangible assets	**257.2**	258.2
Tangible parent equity***	**$ 564.5**	$ 534.4

*** Parent equity represents OPENLANE's net investment in AFC. Tangible parent equity is a non-GAAP measure of AFC's capital.

Overview of Results of OPENLANE, Inc. for the Six Months Ended June 30, 2026 and 2025:

(Dollars in millions except per share amounts)	Six Months Ended June 30, 2026	2025
Revenues		
Auction and related fees	**$ 500.8**	$ 412.8
SaaS and other revenue	**140.9**	129.7
Purchased vehicle sales	**227.1**	184.2
Finance revenue	**213.7**	215.1
Total operating revenues	**1,082.5**	941.8
Operating expenses		
Cost of services (exclusive of depreciation and amortization)	**578.1**	496.0
Finance interest expense	**50.5**	54.5
Provision for credit losses	**19.2**	18.0
Selling, general and administrative	**248.2**	221.5
Depreciation and amortization	**45.2**	45.7
Loss on sale of property	**—**	7.0
Total operating expenses	**941.2**	842.7
Operating profit	**141.3**	99.1
Interest expense	**20.1**	7.1
Other income, net	**(5.2)**	(12.4)
Income before income taxes	**126.4**	104.4
Income taxes	**33.2**	34.1
Net income	**$ 93.2**	$ 70.3
Amounts attributable to common stockholders		
Net income	**$ 93.2**	$ 70.3
Series A Preferred Stock dividends	**(8.6)**	(22.2)
Net income attributable to participating securities	**(9.3)**	(12.0)
Net income attributable to common stockholders	**$ 75.3**	$ 36.1
Net income per share		
Basic	**$ 0.68**	$ 0.34
Diluted	**$ 0.67**	$ 0.33

Overview

For the six months ended June 30, 2026, we had revenue of $1,082.5 million compared with revenue of $941.8 million for the six months ended June 30, 2025, an increase of 15%. For a further discussion of our operating results, see the segment results discussions below.

Depreciation and Amortization

Depreciation and amortization decreased $0.5 million, or 1%, to $45.2 million for the six months ended June 30, 2026, compared with $45.7 million for the six months ended June 30, 2025. The decrease in depreciation and amortization was primarily the result of assets that have become fully amortized and depreciated.

Interest Expense

Interest expense increased $13.0 million, or 183%, to $20.1 million for the six months ended June 30, 2026, compared with $7.1 million for the six months ended June 30, 2025. The increase in interest expense was primarily the result of new term loan borrowings in the fourth quarter of 2025, partially offset by the repayment of the senior notes in the second quarter of 2025.

Other Income, Net

For the six months ended June 30, 2026, we had other income of $5.2 million compared with $12.4 million for the six months ended June 30, 2025. The decrease in other income was primarily attributable to a decrease in foreign currency gains on intercompany balances of $7.7 million and a net decrease in other miscellaneous items aggregating $0.8 million, primarily a decrease in interest income, partially offset by a $1.3 million realized gain on investment securities.

Income Taxes

We had an effective tax rate of 26.3% for the six months ended June 30, 2026, compared with an effective tax rate of 32.7% for the six months ended June 30, 2025. The effective tax rate for the six months ended June 30, 2025 was unfavorably impacted by an increase in the valuation allowance related to 2025 current year movement of the adjusted U.S. net deferred tax asset.

Additionally, the Organization for Economic Cooperation and Development has published a proposal to establish a new global minimum corporate tax rate of 15%, commonly referred to as Pillar Two. While the U.S. has not adopted the Pillar Two framework into law, numerous countries in which we operate have enacted tax legislation based on the Pillar Two framework with certain components of the minimum tax rules effective beginning in 2024 and further rules becoming effective beginning in 2025 and subsequent years. On January 5, 2026, the OECD announced agreement amongst members that would exclude U.S. parented groups from some taxes imposed by Pillar Two. This agreement allows for the U.S. international tax rules and Pillar Two to operate in parallel. These rules, as well as changes due to the agreement, are not expected to materially impact the Company's consolidated financial statements. The Company will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

Impact of Foreign Currency

For the six months ended June 30, 2026 compared with the six months ended June 30, 2025, the change in the euro exchange rate increased revenue by $11.3 million, operating profit by $0.7 million and net income by $0.5 million. For the six months ended June 30, 2026 compared with the six months ended June 30, 2025, the change in the Canadian dollar exchange rate increased revenue by $4.9 million, operating profit by $1.9 million and net income by $1.0 million.

Marketplace Results

(Dollars in millions, except GMV)	Six Months Ended June 30, 2026	2025
Auction and related fees	**$ 500.8**	$ 412.8
SaaS and other revenue	**140.9**	129.7
Purchased vehicle sales	**227.1**	184.2
Total Marketplace revenue	**868.8**	726.7
Cost of services*	**578.0**	497.4
Gross profit	**290.8**	229.3
Provision for credit losses	**2.0**	0.5
Selling, general and administrative	**220.0**	194.6
Depreciation and amortization	**3.0**	3.3
Loss on sale of property	**—**	7.0
Operating profit	**$ 65.8**	$ 23.9
Commercial vehicles sold	**514,000**	389,000
Dealer consignment vehicles sold	**399,000**	354,000
Total vehicles sold	**913,000**	743,000
GMV (in billions)	**$ 19.6**	$ 14.4
Auction and related fees yield	**2.6%**	2.9%

* Includes depreciation and amortization

Total Marketplace Revenue

Revenue from the Marketplace segment increased $142.1 million, or 20%, to $868.8 million for the six months ended June 30, 2026, compared with $726.7 million for the six months ended June 30, 2025. The increase in revenue was primarily attributable to the 23% increase in the number of vehicles sold. For the six months ended June 30, 2026, there were increases in auction and related fees, purchased vehicle sales and SaaS and other revenue. The change in revenue included the impact of an increase in revenue of $15.2 million due to fluctuations in the euro and Canadian dollar exchange rates.

The 23% increase in the number of vehicles sold was comprised of a 32% increase in commercial vehicles sold and a 13% increase in dealer consignment vehicles sold. The increase in commercial vehicles sold was primarily due to the onboarding of a new private label customer and an increase in off-lease vehicles sold. The GMV of vehicles sold for the six months ended June 30, 2026 and 2025 was approximately $19.6 billion and $14.4 billion, respectively. The year-over-year increase in GMV for the six months ended June 30, 2026 was driven by the increase in vehicles sold and an increase in the average value of vehicles sold.

Auction and Related Fees

Auction and related fees increased $88.0 million, or 21%, to $500.8 million for the six months ended June 30, 2026, compared with $412.8 million for the six months ended June 30, 2025. Yield represents auction and related fees divided by GMV. Yield decreased 30 basis points to 2.6% for the six months ended June 30, 2026, compared with 2.9% for the six months ended June 30, 2025. The year-over-year decrease in consolidated yield for the six months ended June 30, 2026, was driven by an increased mix of commercial vehicles which carry lower yields than the consolidated average, as well as an increase in the average value of vehicles sold.

SaaS and Other Revenue

SaaS and other revenue increased $11.2 million, or 9%, to $140.9 million for the six months ended June 30, 2026, compared with $129.7 million for the six months ended June 30, 2025, primarily as a result of increases in SaaS revenues of $6.6 million and other repossession revenue of $5.1 million, partially offset by net decreases in other miscellaneous revenues aggregating approximately $0.5 million.

Purchased Vehicle Sales

The entire selling and purchase price of the vehicle is recorded as revenue and cost of services for purchased vehicles sold, which represent approximately 2% of total vehicles sold. Purchased vehicle sales increased $42.9 million, or 23%, to $227.1 million for the six months ended June 30, 2026, compared with $184.2 million for the six months ended June 30, 2025, primarily as a result of an increase in the number of purchased vehicles sold in the U.S. marketplace.

Gross Profit

For the six months ended June 30, 2026, gross profit from the Marketplace segment increased $61.5 million, or 27%, to $290.8 million, compared with $229.3 million for the six months ended June 30, 2025. Gross profit improvements were driven by a $32.2 million net increase in auction and service volumes (which is net of a decrease resulting from a higher mix of commercial vehicles sold and partially offset by $5.9 million of transportation margin compression). The gross profit improvement also included an $18.8 million benefit related to the rescission of the digital services tax in Canada (see below), which includes a $15.9 million reversal of previously recognized expense and a $2.9 million benefit from the absence of expense for the current period. Additional drivers include a $12.0 million increase from pricing, partially offset by a decrease in other miscellaneous items aggregating $1.5 million.

Gross profit from the Marketplace segment was 33.5% of revenue for the six months ended June 30, 2026, compared with 31.6% of revenue for the six months ended June 30, 2025. Gross profit as a percentage of revenue increased for the six months ended June 30, 2026 as compared with the six months ended June 30, 2025, primarily due to the reversal of the Canadian digital services tax, higher pricing and increased auction and service volumes, partially offset by reduced margins in transportation services as a result of elevated fuel prices in North America in the second quarter of 2026. The $18.8 million benefit related to the rescission of the Canadian digital service tax increased gross profit as a percentage of revenue by 2.2%.

On June 28, 2024, Canada enacted a new 3% Digital Services Tax (“Canadian DST”) on certain online revenues, including online marketplace service revenues, of companies with consolidated revenues of at least €750 million. On March 26, 2026, Canada enacted a bill (C-15) including the repeal of the Canadian DST. This repeal is retroactive and applies to all periods since the tax's original inception. Consequently, the Company recorded an expense reversal of $15.9 million in the first quarter of 2026 (representing expense recorded in 2025 and prior periods, of which $2.9 million was recorded as expense in the first six months of 2025). As of March 31, 2026, the Company recorded a receivable of $10.0 million (C$13.9 million) within trade receivables on the consolidated balance sheet, representing the refund due for amounts previously remitted to the Canada Revenue Agency. In the second quarter of 2026, the Company received the full cash refund.

Provision for Credit Losses

Provision for credit losses from the Marketplace segment increased $1.5 million, or 300%, to $2.0 million for the six months ended June 30, 2026, compared with $0.5 million for the six months ended June 30, 2025, mainly as a result of growth in the Marketplace business.

Selling, General and Administrative

Selling, general and administrative expenses from the Marketplace segment increased $25.4 million, or 13%, to $220.0 million for the six months ended June 30, 2026, compared with $194.6 million for the six months ended June 30, 2025, primarily as a result of increases in stock-based compensation of $9.6 million, sales-related expenses of $6.5 million, compensation expense of $4.9 million, travel expenses of $1.8 million, incentive-based compensation of $1.5 million, information technology costs of $1.0 million, supplies expense of $0.9 million, fluctuations in the Canadian exchange rate of $0.9 million and other miscellaneous expenses aggregating $0.4 million, partially offset by a decrease in severance of $2.1 million.

Loss on Sale of Property

In April 2025, the Company closed on the sale of excess property in Montreal that was originally purchased as part of the December 2023 Manheim Canada acquisition. This transaction resulted in a loss on sale of approximately $7.0 million in the second quarter of 2025.

Finance Results

(Dollars in millions)	As of and for the Six Months Ended June 30, 2026	2025
Finance revenue		
Interest revenue	**$ 111.4**	$ 112.4
Fee and other revenue	**102.3**	102.7
Total Finance revenue	**213.7**	215.1
Finance interest expense	**50.5**	54.5
Net Finance margin	**163.2**	160.6
Finance provision for credit losses	**17.2**	17.5
Cost of services (exclusive of depreciation and amortization)	**35.9**	34.9
Selling, general and administrative	**28.2**	26.9
Depreciation and amortization	**6.4**	6.1
Operating profit	**$ 75.5**	$ 75.2
Portfolio Performance Information		
Floorplans originated	**539,000**	528,000
Floorplans curtailed*	**315,000**	315,000
Total loan transaction units	**854,000**	843,000
Total receivables managed	**$ 2,622.5**	$ 2,347.4
Average receivables managed**	**$ 2,501.7**	$ 2,350.8
Allowance for credit losses	**$ 30.0**	$ 19.0
Allowance for credit losses as a percentage of total receivables managed	**1.1%**	0.8%
Annualized finance provision for credit losses as a percentage of average receivables managed	**1.4%**	1.5%
Receivables delinquent as a percentage of total receivables managed	**0.6%**	0.3%

* Floorplans curtailed represent existing loans that customers opt to extend beyond the initial term upon the customer making a partial principal payment and payment of accrued interest and fees.
** Average receivables managed is calculated based on the daily ending balance of total receivables managed.

Yields (Annualized)	Six Months Ended June 30,
% of Average Receivables Managed	**2026**	**2025**
Finance revenue yield		
Interest revenue	**9.0%**	9.6%
Fee and other revenue	**8.2%**	8.8%
Total Finance revenue yield	**17.2%**	18.4%
Finance interest expense	**4.0%**	4.6%
Net Finance margin	**13.2%**	13.8%

Revenue

For the six months ended June 30, 2026, the Finance segment revenue decreased $1.4 million, or 1%, to $213.7 million, compared with $215.1 million for the six months ended June 30, 2025. The decrease in revenue was primarily the result of decreases in interest yields driven by a decrease in average prime rates, partially offset by an increase in loan values and a 1% increase in loan transaction units (vehicle finance transactions).

Finance Interest Expense

For the six months ended June 30, 2026, finance interest expense decreased $4.0 million, or 7%, to $50.5 million, compared with $54.5 million for the six months ended June 30, 2025. The decrease in finance interest expense was attributable to an approximately 0.7% decrease in the average interest rate on the securitization obligations, partially offset by an increase in the average balance on the AFC securitization obligations.

Net Finance Margin (Annualized)

For the six months ended June 30, 2026, the net Finance margin percent decreased 0.6% to 13.2%, compared with 13.8% for the six months ended June 30, 2025. The decrease was attributable to a 0.6% decrease in fee and other revenue yield driven by increasing loan values and other fee changes. The net interest yield was approximately 5.0% for the six months ended June 30, 2026 and 2025.

Finance Provision for Credit Losses

For the six months ended June 30, 2026, the finance provision for credit losses decreased $0.3 million, or 2%, to $17.2 million, compared with $17.5 million for the six months ended June 30, 2025. The provision for credit losses decreased to 1.4% of the average receivables managed for the six months ended June 30, 2026 from 1.5% for the six months ended June 30, 2025. The provision for credit losses is expected to be approximately 2% or under, on a long-term basis, of the average receivables managed balance. However, the actual losses in any particular quarter or year could deviate from this range.

Cost of Services

For the six months ended June 30, 2026, cost of services for the Finance segment increased $1.0 million, or 3%, to $35.9 million, compared with $34.9 million for the six months ended June 30, 2025. The increase in cost of services was primarily the result of increases in compensation expense of $2.2 million and other miscellaneous expenses aggregating $0.1 million, partially offset by decreases in inventory audit expense of $1.0 million and incentive-based compensation of $0.3 million.

Selling, General and Administrative

Selling, general and administrative expenses for the Finance segment increased $1.3 million, or 5%, to $28.2 million for the six months ended June 30, 2026, compared with $26.9 million for the six months ended June 30, 2025 primarily as a result of an increase in stock-based compensation of $2.6 million, partially offset by decreases in postage expense of $0.6 million, professional fees of $0.4 million and other miscellaneous expenses aggregating $0.3 million.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2026, our sources of liquidity consisted of cash on hand, working capital and amounts available under our Revolving Credit Facilities. Our principal ongoing sources of liquidity consist of cash generated by operations and borrowings under our Revolving Credit Facilities.

(Dollars in millions)	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**
Cash and cash equivalents	**$ 189.7**	$ 141.5	$ 119.1
Working capital	**478.3**	407.7	395.4
Amounts available under the Revolving Credit Facilities	**405.7**	409.9	410.9
Cash provided by operating activities for the six months ended	**212.4**		194.2

We regularly evaluate alternatives for our capital structure and liquidity given our expected cash flows, growth and operating capital requirements as well as capital market conditions.

Working Capital

A substantial amount of our working capital (current assets less current liabilities) associated with our Marketplace segment is generated from the payments received for services provided. The majority of our working capital needs in the Marketplace segment are short-term in nature, usually less than a week in duration. Most financial institutions place a temporary hold on the availability of the funds deposited that generally can range up to two business days, resulting in cash in our accounts and on our balance sheet that is unavailable for use until it is made available. There are outstanding checks (book overdrafts) to sellers and vendors included in current liabilities. Because a portion of these outstanding checks for operations in the U.S. are drawn upon bank accounts at financial institutions other than the financial institutions that hold the cash, we cannot offset all the cash and the outstanding checks on our balance sheet. Changes in working capital vary from quarter-to-quarter as a result of the timing of collections and disbursements of funds to consignors from marketplace sales held near period end.

Approximately $85.0 million of available cash was held by our foreign subsidiaries at June 30, 2026. If funds held by our foreign subsidiaries were to be repatriated, state and local income tax expense and withholding tax expense would need to be recognized, net of any applicable foreign tax credits.

AFC offers short-term inventory-secured financing, also known as floorplan financing, to independent vehicle dealers. Financing is primarily provided for terms of 30 to 90 days. AFC principally generates its funding through the sale of its receivables. The receivables sold pursuant to the securitization agreements are accounted for as secured borrowings. For further discussion of AFC's securitization arrangements, see "Securitization Facilities."

Credit Facilities

On June 23, 2023, we entered into the Credit Agreement, which provides for, among other things, the $325 million Revolving Credit Facility. On January 19, 2024, the Company and ADESA Auctions Canada Corporation, a subsidiary of the Company (the "Canadian Borrower") entered into the First Amendment Agreement (the "First Amendment") to the Credit Agreement. The First Amendment provides for, among other things, (i) a C$175 million revolving credit facility in Canadian dollars (the "Canadian Revolving Credit Facility" and, together with the Revolving Credit Facility, "the Revolving Credit Facilities") and (ii) a C$50 million sub-limit (the "Canadian Sub-limit") under the Company's Revolving Credit Facility for borrowings in Canadian dollars.

The Revolving Credit Facility is available for letters of credit, working capital, permitted acquisitions and general corporate purposes. The Revolving Credit Facility also includes a $65 million sub-limit for the issuance of letters of credit and a $60 million sub-limit for swingline loans.

On October 8, 2025, we entered into a Second Amendment Agreement (the "Second Amendment") to the Credit Agreement that provides for, among other things, incremental term loans in an aggregate principal amount equal to $550.0 million (the "2025 Incremental Term Loans"). The proceeds of the 2025 Incremental Term Loans were used to finance the repurchase of shares of Series A Preferred Stock and to pay fees and expenses incurred in connection with the establishment of the loans. The 2025 Incremental Term Loans are due in October 2032. We capitalized approximately $6.1 million of debt issuance costs in connection with the Second Amendment. The 2025 Incremental Term Loans bear interest, at the Company's election based on the type of borrowing, at a rate equal to (i) the Adjusted Term SOFR Rate plus a margin of 2.50% (for Term Benchmark Loans or RFR Loans, each as defined in the Credit Agreement) or (ii) the Base Rate plus a margin of 1.50% (for Base Rate Loans, as defined in the Credit Agreement).

The 2025 Incremental Term Loans were issued at a discount of $2.7 million and the discount is being amortized using the effective interest method to interest expense over the term of the loans. The 2025 Incremental Term Loans are payable in quarterly installments equal to 0.25% of the original aggregate principal amount. Such payments commenced on March 31, 2026, with the balance payable at the maturity date.

Loans under the Revolving Credit Facility bear interest at a rate calculated based on the type of borrowing (at the Company's election, either Adjusted Term SOFR Rate or Base Rate (each as defined in the Credit Agreement)) and the Company’s Consolidated Senior Secured Net Leverage Ratio (as defined in the Credit Agreement), with such rate ranging from 2.75% to 2.25% for Adjusted Term SOFR Rate loans and from 1.75% to 1.25% for Base Rate loans. The Company also pays a commitment fee between 25 to 35 basis points, payable quarterly, on the average daily unused amount of the Revolving Credit Facility based on the Company’s Consolidated Senior Secured Net Leverage Ratio.

Loans under the Canadian Revolving Credit Facility bear interest at a rate calculated based on the type of borrowing (at the Canadian Borrower's election, either Adjusted Term CORRA Rate or Canadian Prime Rate (each as defined in the Credit Agreement)) and the Company's Consolidated Senior Secured Net Leverage Ratio, with such rate ranging from 3.00% to 2.50% for Adjusted Term CORRA Rate loans and from 2.00% to 1.50% for Canadian Prime Rate loans. Loans under the Canadian Sub-limit will bear interest at the Adjusted Term CORRA Rate plus a margin ranging from 2.75% to 2.25% based on the Company's Consolidated Senior Secured Net Leverage Ratio (the same margin as loans under the existing Revolving Credit Facility). The Canadian Borrower will also pay a commitment fee between 25 to 35 basis points, payable quarterly, on the average daily unused amount of the Canadian Revolving Credit Facility based on the Company's Consolidated Senior Secured Net Leverage Ratio.

Debt discounts and issuance costs are presented as a direct reduction from the amount of the related debt liability to arrive at the carrying amount. Unamortized debt discounts and issuance costs totaled $12.5 million and $14.4 million at June 30, 2026 and December 31, 2025, respectively.

As of June 30, 2026 and December 31, 2025, there were no borrowings on the Revolving Credit Facilities. We had related outstanding letters of credit in the aggregate amount of $42.6 million at June 30, 2026 and December 31, 2025, which reduce the amount available for borrowings under the Revolving Credit Facilities. Our European operations have lines of credit aggregating $45.7 million (€40 million) of which $0.0 million was drawn at June 30, 2026.

The obligations of the Company under the 2025 Incremental Term Loans and the Revolving Credit Facility are guaranteed by certain of our domestic subsidiaries (the "Subsidiary Guarantors") and are secured by substantially all of the assets of the Company and the Subsidiary Guarantors, including but not limited to: (a) pledges of and first priority security interests in 100% of the equity interests of certain of the Company's and the Subsidiary Guarantors' domestic subsidiaries and 65% of the equity interests of certain of the Company's and the Subsidiary Guarantors' first tier foreign subsidiaries and (b) first priority security interests in substantially all other assets of the Company and each Subsidiary Guarantor, subject to certain exceptions.

The obligations of the Canadian Borrower under the Canadian Revolving Credit Facility are guaranteed by certain of the Company's domestic and Canadian subsidiaries (the "Canadian Revolving Credit Facility Subsidiary Guarantors") and are secured by substantially all of the assets of the Company, the Canadian Borrower and the Canadian Revolving Credit Facility Subsidiary Guarantors, subject to certain exceptions; provided, however, the Canadian Borrower and the other Canadian subsidiaries of the Company constituting the Canadian Revolving Credit Facility Subsidiary Guarantors shall guarantee and/or provide security for only the Canadian Secured Obligations (as defined in the Credit Agreement).

Certain covenants contained within the Credit Agreement are critical to an investor's understanding of our financial liquidity, as the failure to maintain compliance with these covenants could result in a default and allow the lenders under the Credit Agreement to declare all amounts borrowed immediately due and payable. The Credit Agreement contains a financial covenant requiring compliance with a maximum Consolidated Senior Secured Net Leverage Ratio not to exceed 3.5 as of the last day of each fiscal quarter on which any loans under the Revolving Credit Facilities are outstanding. The Consolidated Senior Secured Net Leverage Ratio is calculated as Consolidated Total Debt (as defined in the Credit Agreement) divided by Consolidated EBITDA (as defined in the Credit Agreement) for the last four quarters. Consolidated Total Debt includes, among other things, term loan borrowings, revolving loans, finance lease liabilities and other obligations for borrowed money less Unrestricted Cash (as defined in the Credit Agreement). Consolidated EBITDA is EBITDA (earnings before interest expense, income taxes, depreciation and amortization) adjusted to exclude, among other things, (a) gains and losses from asset sales; (b) unrealized foreign currency translation gains and losses in respect of indebtedness; (c) certain non-recurring gains and losses; (d) stock-based compensation expense; (e) certain other non-cash amounts included in the determination of net income; (f) charges and revenue reductions resulting from purchase accounting; (g) minority interest; (h) consulting expenses incurred for cost reduction, operating restructuring and business improvement efforts; (i) expenses realized upon the termination of employees and the termination or cancellation of leases, software licenses or other contracts in connection with the operational restructuring and business improvement efforts; (j) expenses incurred in connection with permitted acquisitions; (k) any impairment charges or write-offs of intangibles; and (l) any extraordinary, unusual or non-recurring charges, expenses or losses. Our Consolidated Senior Secured Net Leverage Ratio was 1.0 at June 30, 2026.

In addition, the Credit Agreement (see Note 6, "Long-Term Debt" for additional information) contains certain limitations on our ability to pay dividends and other distributions, make certain acquisitions or investments, grant liens and sell assets, and contains certain limitations on our ability to incur indebtedness. The applicable covenants in the Credit Agreement affect our operating flexibility by, among other things, restricting our ability to incur expenses and indebtedness that could be used to grow the business, as well as to fund general corporate purposes. We were in compliance with the covenants in the Credit Agreement at June 30, 2026.

Liquidity

At June 30, 2026, there were no borrowings on the Revolving Credit Facilities. When drawn upon, the Revolving Credit Facilities are classified as current debt based on the Company's past practice of using the Revolving Credit Facilities for short term borrowings. However, the terms of the Revolving Credit Facilities do not require repayment until maturity at June 23, 2028. At June 30, 2026, cash totaled $189.7 million and there was an additional $405.7 million available for borrowing under the Revolving Credit Facilities (net of $42.6 million in outstanding letters of credit). Funds held by our foreign subsidiaries could be repatriated, at which point state and local income tax expense and withholding tax expense would need to be recognized, net of any applicable foreign tax credits.

We believe our sources of liquidity from our cash and cash equivalents on hand, working capital, availability under our Revolving Credit Facilities and ongoing sources of liquidity from cash generated by operations and borrowings under our Revolving Credit Facilities are sufficient to meet our operating needs for the foreseeable future. In addition, we believe the previously mentioned sources of liquidity will be sufficient to fund our capital requirements and debt service payments for the foreseeable future. Changes in macroeconomic conditions could materially affect the Company's liquidity.

Securitization Facilities

AFC sells the majority of its U.S. dollar denominated finance receivables on a revolving basis and without recourse to AFC Funding Corporation. A securitization agreement allows for the revolving sale by AFC Funding Corporation to a group of bank purchasers of undivided interests in certain finance receivables subject to committed liquidity. The agreement expires on January 31, 2028. AFC Funding Corporation had committed liquidity of $2.0 billion for U.S. finance receivables at June 30, 2026.

We also have an agreement for the securitization of Automotive Finance Canada Inc.'s ("AFCI") receivables, which expires on January 31, 2028. AFCI's committed facility is provided through a third-party conduit (separate from the U.S. facility) and was C$500 million at June 30, 2026. The receivables sold pursuant to both the U.S. and Canadian securitization agreements are accounted for as secured borrowings.

AFC managed total finance receivables of $2,622.5 million and $2,423.5 million at June 30, 2026 and December 31, 2025, respectively. AFC's allowance for losses was $30.0 million and $27.5 million at June 30, 2026 and December 31, 2025, respectively.

As of June 30, 2026 and December 31, 2025, finance receivables (inclusive of accrued interest and fees) totaling $2,643.8 million and $2,448.2 million, respectively, served as security for the obligations collateralized by finance receivables. In addition, a cash reserve of 1 or 3 percent of the obligations collateralized by finance receivables was also maintained as security. The amount of the cash reserve depends on circumstances which are set forth in the securitization agreements. The amount above for December 31, 2025, reflects the correction of an error from the $2,803.5 million previously disclosed in the 2025 Form 10-K. At June 30, 2026 and December 31, 2025, there were gross obligations collateralized by finance receivables of $1,897.1 million and $1,771.7 million, respectively, and unamortized securitization issuance costs of approximately $10.1 million and $13.4 million, respectively. After the occurrence of a termination event, as defined in the U.S. securitization agreement, the banks may, and could, cause the stock of AFC Funding Corporation to be transferred to the bank facility, though as a practical matter the bank facility would look to the liquidation of the receivables under the transaction documents as their primary remedy.

Proceeds from the revolving sale of receivables to the bank facilities are used to fund new loans to customers. AFC, AFC Funding Corporation and AFCI must maintain certain financial covenants including, among others, limits on the amount of debt AFC and AFCI can incur, minimum levels of tangible net worth, and other covenants tied to the performance of the finance receivables portfolio. The securitization agreements also incorporate the financial covenants of our Credit Agreement. At June 30, 2026, we were in compliance with the covenants in the securitization agreements.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA, as presented herein, are supplemental measures of our performance that are not required by, or presented in accordance with, generally accepted accounting principles in the United States, or GAAP. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP.

EBITDA is defined as net income (loss), plus interest expense net of interest income, income tax provision (benefit), depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for the items of income and expense and expected incremental revenue and cost savings, as described above in the discussion of certain restrictive loan covenants under "Credit Facilities." Management believes that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA is appropriate to provide additional information to investors about one of the principal measures of performance used by our creditors. In addition, management uses EBITDA and Adjusted EBITDA to evaluate our performance. EBITDA and Adjusted EBITDA have limitations as analytical tools, and should not be considered in isolation or as a substitute for analysis of the results as reported under GAAP. These non-GAAP financial measures may not be comparable to similarly titled measures reported by other companies.

The following tables reconcile net income to EBITDA and Adjusted EBITDA for the periods presented:

	Three Months Ended June 30, 2026		
(Dollars in millions)	**Marketplace**	**Finance**	**Consolidated**
Net income	$ 15.1	$ 29.2	$ 44.3
Add back:			
Income taxes	7.4	9.4	16.8
Finance interest expense	—	25.7	25.7
Interest expense, net of interest income	9.0	—	9.0
Depreciation and amortization	19.1	3.2	22.3
EBITDA	50.6	67.5	118.1
Non-cash stock-based compensation	6.9	2.0	8.9
Securitization interest	—	(23.1)	(23.1)
Severance	1.1	—	1.1
Foreign currency gains	(1.2)	—	(1.2)
ERP implementation costs	0.5	0.1	0.6
Realized gain on investment securities	(1.3)	—	(1.3)
Other	0.1	—	0.1
Total addbacks (deductions)	6.1	(21.0)	(14.9)
Adjusted EBITDA	$ 56.7	$ 46.5	$ 103.2

(Dollars in millions)	Three Months Ended June 30, 2025		
	Marketplace	Finance	Consolidated
Net income	$ 8.6	$ 24.8	$ 33.4
Add back:			
Income taxes	7.5	10.8	18.3
Finance interest expense	—	26.9	26.9
Interest expense, net of interest income	1.3	—	1.3
Depreciation and amortization	19.9	3.1	23.0
EBITDA	37.3	65.6	102.9
Non-cash stock-based compensation	3.4	1.0	4.4
Securitization interest	—	(24.4)	(24.4)
Loss on sale of property	7.0	—	7.0
Severance	2.3	0.1	2.4
Foreign currency gains	(5.5)	(0.1)	(5.6)
Total addbacks (deductions)	7.2	(23.4)	(16.2)
Adjusted EBITDA	$ 44.5	$ 42.2	$ 86.7

(Dollars in millions)	Six Months Ended June 30, 2026		
	Marketplace	Finance	Consolidated
Net income	$ 36.3	$ 56.9	$ 93.2
Add back:			
Income taxes	14.6	18.6	33.2
Finance interest expense	—	50.5	50.5
Interest expense, net of interest income	18.7	—	18.7
Depreciation and amortization	38.8	6.4	45.2
EBITDA	108.4	132.4	240.8
Non-cash stock-based compensation	14.5	4.1	18.6
Securitization interest	—	(45.1)	(45.1)
Severance	2.7	0.1	2.8
Foreign currency gains	(1.1)	(0.1)	(1.2)
ERP implementation costs	0.8	0.2	1.0
Impact of Canadian DST related to prior years	(15.9)	—	(15.9)
Realized gain on investment securities	(1.3)	—	(1.3)
Other	0.2	—	0.2
Total addbacks (deductions)	(0.1)	(40.8)	(40.9)
Adjusted EBITDA	$ 108.3	$ 91.6	$ 199.9

(Dollars in millions)	Six Months Ended June 30, 2025		
	Marketplace	Finance	Consolidated
Net income	$ 15.9	$ 54.4	$ 70.3
Add back:			
Income taxes	13.3	20.8	34.1
Finance interest expense	—	54.5	54.5
Interest expense, net of interest income	4.7	—	4.7
Depreciation and amortization	39.6	6.1	45.7
EBITDA	73.5	135.8	209.3
Non-cash stock-based compensation	4.9	1.5	6.4
Securitization interest	—	(49.5)	(49.5)
Loss on sale of property	7.0	—	7.0
Severance	4.3	0.1	4.4
Foreign currency gains	(8.8)	(0.1)	(8.9)
Other	0.7	0.1	0.8
Total addbacks (deductions)	8.1	(47.9)	(39.8)
Adjusted EBITDA	$ 81.6	$ 87.9	$ 169.5

Certain of our loan covenant calculations utilize financial results for the most recent four consecutive fiscal quarters. The following table reconciles net income to EBITDA and Adjusted EBITDA for the periods presented:

(Dollars in millions)	Three Months Ended				Twelve Months Ended
	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026	June 30, 2026
Net income	$ 47.9	$ 59.5	$ 48.9	$ 44.3	$ 200.6
Add back:					
Income taxes	8.2	(27.8)	16.4	16.8	13.6
Finance interest expense	28.1	27.3	24.8	25.7	105.9
Interest expense, net of interest income	0.6	9.6	9.7	9.0	28.9
Depreciation and amortization	22.7	23.3	22.9	22.3	91.2
EBITDA	107.5	91.9	122.7	118.1	440.2
Non-cash stock-based compensation	4.4	5.0	9.7	8.9	28.0
Securitization interest	(25.6)	(24.9)	(22.0)	(23.1)	(95.6)
Severance	2.4	2.1	1.7	1.1	7.3
Foreign currency (gains) losses	(1.6)	1.2	—	(1.2)	(1.6)
ERP implementation costs	—	0.6	0.4	0.6	1.6
Impact of Canadian DST related to prior years	—	—	(15.9)	—	(15.9)
Realized gain on investment securities	—	—	—	(1.3)	(1.3)
Other	—	0.1	0.1	0.1	0.3
Total addbacks (deductions)	(20.4)	(15.9)	(26.0)	(14.9)	(77.2)
Adjusted EBITDA	$ 87.1	$ 76.0	$ 96.7	$ 103.2	$ 363.0

Summary of Cash Flows

(Dollars in millions)	Six Months Ended June 30, 2026	2025
Net cash provided by (used by):		
Operating activities	**$ 212.4**	$ 194.2
Investing activities	**(243.3)**	(29.4)
Financing activities	**76.8**	(218.9)
Effect of exchange rate on cash	**(13.5)**	19.2
Net increase (decrease) in cash, cash equivalents and restricted cash	**$ 32.4**	$ (34.9)

Cash flow from operating activities Net cash provided by operating activities was $212.4 million for the six months ended June 30, 2026, compared with $194.2 million for the six months ended June 30, 2025. Cash provided by operating activities for the six months ended June 30, 2026 consisted primarily of cash earnings and an increase in accounts payable and accrued expenses, partially offset by an increase in trade receivables and other assets. Cash provided by operating activities for the six months ended June 30, 2025 consisted primarily of cash earnings and an increase in accounts payable and accrued expenses, partially offset by an increase in trade receivables and other assets. The increase in operating cash flow was primarily attributable to increased profitability, partially offset by changes in operating assets and liabilities as a result of the timing of collections and disbursement of funds to consignors for marketplace sales held near period-ends.

Changes in AFC's accounts payable balance are presented in cash flows from operating activities, while changes in AFC's finance receivables are presented in cash flows from investing activities and changes in AFC's obligations collateralized by finance receivables are presented in cash flows from financing activities. Variations in these balances can lead to significant fluctuations across operating, investing and financing cash flows. Growth and contraction in AFC's finance receivables portfolio can result in significant swings in cash flows in a given period as approximately 70% to 75% of AFC's finance receivables portfolio is funded through its securitization facilities with the remainder funded through other sources of liquidity including cash on hand and working capital.

Cash flow from investing activities Net cash used by investing activities was $243.3 million for the six months ended June 30, 2026, compared with $29.4 million for the six months ended June 30, 2025. The cash used by investing activities for the six months ended June 30, 2026 was primarily from an increase in finance receivables held for investment and purchases of property, equipment and computer software. The cash used by investing activities for the six months ended June 30, 2025 was primarily from an increase in finance receivables held for investment and purchases of property, equipment and computer software, partially offset by proceeds from the sale of property.

Cash flow from financing activities Net cash provided by financing activities was $76.8 million for the six months ended June 30, 2026, compared with net cash used by operating activities of $218.9 million for the six months ended June 30, 2025. The cash provided by financing activities for the six months ended June 30, 2026 was primarily due to a net increase in obligations collateralized by finance receivables, partially offset by repurchases and retirement of common stock. The cash used by financing activities for the six months ended June 30, 2025 was primarily due to payments on long-term debt, repayments on lines of credit and dividends paid on the Series A Preferred Stock, partially offset by a net increase in obligations collateralized by finance receivables.

Capital Expenditures

Capital expenditures for the six months ended June 30, 2026 and 2025 approximated $26.9 million and $26.1 million, respectively. Capital expenditures were funded from internally generated funds. We continue to invest in our core information technology capabilities and our service locations. Capital expenditures are expected to be approximately $55 million to $60 million for fiscal year 2026. Future capital expenditures could vary substantially based on capital project timing, capital expenditures related to acquired businesses and the initiation of new information systems projects to support our business strategies.

Dividends

In the second quarter of 2026, the Company filed a Certificate of Elimination with the Secretary of State of the State of Delaware eliminating the Series A Preferred Stock, and the shares that were designated as Series A Preferred Stock were returned to the status of authorized but unissued shares of preferred stock of the Company, without designation as to series. The Series A Preferred Stock ranked senior to the shares of the Company's common stock, par value $0.01 per share, with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. The holders of the Series A Preferred Stock were entitled to a cumulative dividend at the rate of 7% per annum, payable quarterly in arrears. Dividends were payable in cash or in kind, or in any combination of both, at the option of the Company. For the six months ended June 30, 2026 and 2025, the holders of the Series A Preferred Stock received cash dividends aggregating $5.3 million and $22.2 million, respectively. In the second quarter 2026, the holders of the Series A Preferred Stock elected to convert the remaining shares of Series A Preferred Stock into shares of common stock (a non-cash transaction). The total shares of common stock converted included approximately $3.3 million in accrued dividends through the dates of conversion. The holders of the Series A Preferred Stock were also entitled to participate in dividends declared or paid on our common stock on an as-converted basis. There were no shares of Series A Preferred Stock outstanding at June 30, 2026.

Contractual Obligations

The Company's contractual cash obligations for long-term debt, interest payments related to long-term debt and operating leases are summarized in the table of contractual obligations in our Annual Report on Form 10-K for the year ended December 31, 2025. Since December 31, 2025, the contractual obligations of the Company have changed as follows:

- Operating lease obligations change in the ordinary course of business. We lease most of our facilities, as well as other property and equipment under operating leases. Future operating lease obligations will continue to change if renewal options are exercised and/or if we enter into additional operating lease agreements.

Our contractual cash obligations as of December 31, 2025, are discussed in the "Contractual Obligations" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission (the "SEC").

Critical Accounting Estimates

Our critical accounting estimates are discussed in the "Critical Accounting Estimates" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC. A summary of significant accounting policies is discussed in Note 2 and elsewhere in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2025, which includes audited financial statements.

New Accounting Standards

For a description of new accounting standards that could affect the Company, reference the "New Accounting Standards" section of Note 1 of the Unaudited Consolidated Financial Statements, included in this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

As of June 30, 2026, we had no off-balance sheet arrangements pursuant to Item 303 of Regulation S-K under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that we believe are reasonably likely to have a current or future effect on our financial condition, results of operations, or cash flows.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency

Our foreign currency exposure is limited and arises from transactions denominated in foreign currencies, particularly intercompany loans, as well as from translation of the results of operations from our Canadian and, to a lesser extent, United Kingdom and Continental Europe subsidiaries. However, fluctuations between U.S. and non-U.S. currency values may adversely affect our results of operations and financial position. We have not entered into any foreign exchange contracts to hedge changes in the Canadian dollar, British pound or euro. Foreign currency gains on intercompany loans were approximately $1.2 million for the three and six months ended June 30, 2026, respectively, and foreign currency gains on intercompany loans were approximately $5.6 million and $8.9 million for the three and six months ended June 30, 2025, respectively. Canadian currency translation positively affected net income by approximately $0.0 million and $1.0 million for the three and six months ended June 30, 2026, respectively. Currency translation of the euro positively affected net income by approximately $0.1 million and $0.5 million for the three and six months ended June 30, 2026, respectively. A 1% change in the month-end Canadian dollar exchange rate for the six months ended June 30, 2026 would have impacted foreign currency on intercompany loans by $2.1 million and net income by $1.6 million. A 1% change in the month-end euro exchange rate for the six months ended June 30, 2026 would have impacted foreign currency on intercompany loans by $0.6 million and net income by $0.5 million. A 1% change in the average Canadian dollar exchange rate for the three and six months ended June 30, 2026 would have impacted net income by approximately $0.3 million and $0.6 million, respectively. Currency exposure of our U.K. and European operations is not material to the results of operations.

Interest Rates

We are exposed to interest rate risk on our variable rate borrowings. Accordingly, interest rate fluctuations affect the amount of interest expense we are obligated to pay. We do not currently use interest rate contracts to manage our exposure to interest rate changes.

A sensitivity analysis of the impact on our variable rate corporate debt instruments to a hypothetical 100 basis point increase in short-term rates (SOFR/CORRA) for the three and six months ended June 30, 2026 would have resulted in an increase in interest expense of approximately $1.4 million and $2.8 million, respectively.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, we carried out an evaluation under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), during the quarter ended June 30, 2026, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in litigation and disputes arising in the ordinary course of business. Although the outcome of litigation cannot be accurately predicted, based on evaluation of information presently available, our management does not currently believe that the ultimate resolution of these actions will have a material adverse effect on our financial condition, results of operations or cash flows.

Certain legal proceedings in which the Company is involved are discussed in Note 18 to the consolidated financial statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2025 and Part I, Item 3 of the same Annual Report. Unless otherwise indicated therein, all proceedings discussed in the Annual Report remain outstanding.

Item 1A. Risk Factors

Before deciding to invest in our Company, in addition to the other information contained in our Annual Report on Form 10-K and other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, which could materially and adversely affect our business, financial condition, prospects, results of operations and cash flows. In such case, the trading price of our common stock could decline and you could lose all or part of your investment. The risks described in our most recent Annual Report on Form 10-K, including macroeconomic conditions and geopolitical events, are not the only risks we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially affect our business, financial condition, results of operations and prospects.

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

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities made by OPENLANE during the period covered by this report.

Issuer Purchases of Equity Securities

The following table provides information about purchases by OPENLANE, Inc. of its shares of common stock during the quarter ended June 30, 2026:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (1) *(Dollars in millions)*
April 1 - April 30	84,018	$ 29.90	84,018	$ 176.0
May 1 - May 31	81,625	35.82	81,625	173.1
June 1 - June 30	436,457	37.75	436,457	156.6
Total	602,100	$ 36.39	602,100	

(1) In April 2025, the board of directors approved a new share repurchase authorization of up to $250 million of the Company's outstanding common stock through December 31, 2026. Repurchases may be made in the open market or through privately negotiated transactions, in accordance with applicable securities laws and regulations, including pursuant to repurchase plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended. The timing and amount of any repurchases is subject to market and other conditions.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During the second quarter of 2026, none of the Company's directors or executive officers adopted a Rule 10b5-1 trading plan, terminated or modified a Rule 10b5-1 trading plan or adopted, modified or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

a) Exhibits—the exhibit index below is incorporated herein by reference as the list of exhibits required as part of this report.

In reviewing the agreements included as exhibits to this report, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company and its subsidiaries or other parties to the agreements.

The agreements included or incorporated by reference as exhibits to this report contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this report and the Company's other public filings, which are available without charge through the SEC's website at http://www.sec.gov.

EXHIBIT INDEX

		Incorporated by Reference				
Exhibit No.	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
2.1	Securities and Asset Purchase Agreement, dated as of February 24, 2022, by and among OPENLANE, Inc., Carvana Group, LLC and Carvana Co. solely for purposes of Section 10.15 thereof as guarantor	8-K	001-34568	2.1	2/24/2022	
3.1a	Amended and Restated Certificate of Incorporation of OPENLANE, Inc.	10-Q	001-34568	3.1	8/3/2016	
3.1b	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of OPENLANE, Inc.	8-K	001-34568	3.1	5/12/2023	
3.2	Second Amended and Restated By-Laws of OPENLANE, Inc.	8-K	001-34568	3.1	11/4/2014	
3.3	Certificate of Designations Designating the Series A Convertible Preferred Stock	8-K	001-34568	3.1	6/10/2020	
3.4	Certificate of Elimination of the Series A Convertible Preferred Stock of OPENLANE, Inc.	8-K	001-34568	3.1	5/29/2026	
4.1	Form of common stock certificate	S-1/A	333-161907	4.15	12/10/2009	
4.2	Description of the Company's securities	10-K	001-34568	4.3	2/19/2020	
10.1a	Credit Agreement, dated as of June 23, 2023, among the OPENLANE, Inc., the lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent	8-K	001-34568	10.1	6/26/2023	
10.1b	First Amendment Agreement, dated as of January 19, 2024, by and among OPENLANE, Inc., ADESA Auctions Canada Corporation, certain other subsidiaries of OPENLANE, Inc. party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-34568	10.1	1/22/2024	
10.1c	Second Amendment Agreement, dated as of October 8, 2025, by and among OPENLANE, Inc., certain other subsidiaries of the Company party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent	8-K	001-34568	10.1	10/8/2025	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.1d	Third Amendment Agreement, dated as of June 30, 2026, by and among OPENLANE, Inc., the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent					X
10.2a *	Employment Agreement, dated March 9, 2020, between OPENLANE, Inc. and Peter J. Kelly	10-Q	001-34568	10.9	5/7/2020	
10.2b *	Amendment No. 1 to Employment Agreement, dated March 1, 2021, between OPENLANE, Inc. and Peter J. Kelly	8-K	001-34568	10.2	3/2/2021	
10.3 *	Employment Agreement, dated April 22, 2025 (effective May 27, 2025), between OPENLANE, Inc. and Bradley Herring	8-K	001-34568	10.1	4/22/2025	
10.4 *	Employment Agreement, dated October 26, 2021, between OPENLANE, Inc. and James Coyle	10-K	001-34568	10.6	2/23/2022	
10.5 *	Employment Agreement, dated April 1, 2024, between OPENLANE, Inc. and William C. Mitchell	10-K	001-34568	10.6	2/20/2025	
10.6 *	Employment Agreement, dated March 9, 2020, between OPENLANE, Inc. and Charles S. Coleman	10-K	001-34568	10.7	2/20/2025	
10.7 *	OPENLANE, Inc. Annual Incentive Program Summary of Terms 2025	10-K	001-34568	10.9	2/20/2025	
10.8 *	OPENLANE, Inc. Annual Incentive Program Summary of Terms 2026	10-K	001-34568	10.8	2/18/2026	
10.9a ^	Amended and Restated Purchase and Sale Agreement, dated May 31, 2002, between AFC Funding Corporation and Automotive Finance Corporation	S-4	333-148847	10.32	1/25/2008	
10.9b	Amendment No. 1 to Amended and Restated Purchase and Sale Agreement, dated June 15, 2004	S-4	333-148847	10.33	1/25/2008	
10.9c	Amendment No. 2 to Amended and Restated Purchase and Sale Agreement, dated January 18, 2007	S-4	333-148847	10.34	1/25/2008	
10.9d ^	Amendment No. 3 to Amended and Restated Purchase and Sale Agreement, dated April 20, 2007	S-4	333-148847	10.35	1/25/2008	
10.9e	Amendment No. 4 to Amended and Restated Purchase and Sale Agreement, dated January 30, 2009	10-K	001-34568	10.19e	2/28/2012	
10.9f	Amendment No. 5 to Amended and Restated Purchase and Sale Agreement, dated April 25, 2011	10-K	001-34568	10.19f	2/28/2012	
10.10a +	Tenth Amended and Restated Receivables Purchase Agreement, dated September 28, 2022, by and among Automotive Finance Corporation, AFC Funding Corporation, Fairway Finance Company, LLC, Fifth Third Bank, National Association, Chariot Funding LLC, PNC Bank, National Association, Thunder Bay Funding, LLC, Truist Bank, BMO Capital Markets Corp., JPMorgan Chase Bank, N.A., Royal Bank of Canada and Bank of Montreal	10-Q	001-34568	10.11	11/2/2022	
10.10b +	First Amendment and Joinder, dated September 27, 2024, to the Tenth Amended and Restated Receivables Purchase Agreement	10-Q	001-34568	10.12b	11/7/2024	
10.11a +	Receivables Purchase Agreement, dated March 1, 2023, between Automotive Finance Canada Inc., OPENLANE, Inc., Computershare Trust Company of Canada, the Agents Parties to the Loan Agreement and BMO Nesbitt Burns Inc.	10-Q	001-34568	10.14	5/3/2023	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.11b	Amendment No. 1 to the Receivables Purchase Agreement, dated September 27, 2024	10-Q	001-34568	10.13b	11/7/2024	
10.11c	Amendment No. 2 to the Receivables Purchase Agreement, dated May 23, 2025	10-Q	001-34568	10.11c	8/6/2025	
10.11d	Amendment No. 3 to the Receivables Purchase Agreement, dated November 18, 2025	8-K	001-34568	10.1	11/18/2025	
10.12	Form of Indemnification Agreement	8-K	001-34568	10.1	12/17/2013	
10.13a *	KAR Auction Services, Inc. 2009 Omnibus Stock and Incentive Plan, as Amended June 10, 2014	DEF 14A	001-34568	Appendix A	4/29/2014	
10.13b *	First Amendment to the KAR Auction Services, Inc. 2009 Omnibus Stock and Incentive Plan	10-K	001-34568	10.24b	2/18/2016	
10.13c *	KAR Auction Services, Inc. Amended and Restated 2009 Omnibus Stock and Incentive Plan, as Amended and Restated June 4, 2021	DEF 14A	001-34568	Annex I	4/23/2021	
10.13d *	OPENLANE, Inc. Second Amended and Restated 2009 Omnibus Stock and Incentive Plan, as Amended and Restated June 7, 2024	DEF 14A	001-34568	Annex I	4/26/2024	
10.14 *	KAR Auction Services, Inc. Amended and Restated Employee Stock Purchase Plan	10-Q	001-34568	10.27	8/5/2020	
10.15a *	KAR Auction Services, Inc. Directors Deferred Compensation Plan, effective December 10, 2009	10-Q	001-34568	10.62	8/4/2010	
10.15b *	Amendment No. 1 to the KAR Auction Services, Inc. Directors Deferred Compensation Plan, dated as of June 28, 2019	10-Q	001-34568	10.28b	11/6/2019	
10.16 *	Director Restricted Share Agreement	10-Q	001-34568	10.29	8/7/2019	
10.17 *	Form of 2022 Restricted Stock Unit Award Agreement	10-K	001-34568	10.22	3/9/2023	
10.18 *	Form of 2025 and 2026 Restricted Stock Unit Award Agreement for Section 16 Officers	10-K	001-34568	10.21	2/20/2025	
10.19 *	Form of Non-Qualified Stock Option Award Agreement	10-K	001-34568	10.30	2/18/2021	
10.20 *	Form of 2022 Performance-Based Restricted Stock Unit Agreement (Cumulative Operating Adjusted Net Income Per Share)	10-K	001-34568	10.38	2/19/2020	
10.21 *	Form of 2022 Amended and Restated Performance-Based Restricted Stock Unit Agreement (Cumulative Adjusted EBITDA)	10-Q	001-34568	10.25	11/2/2022	
10.22 *	Form of 2023 Performance-Based Restricted Stock Unit Agreement (Cumulative Adjusted EBITDA and Relative Total Shareholder Return)	10-K	001-34568	10.27	3/9/2023	
10.23 *	Form of 2024 Performance-Based Restricted Stock Unit Agreement (Cumulative Adjusted EBITDA and Relative Total Shareholder Return)	10-K	001-34568	10.28	2/21/2024	
10.24 *	Form of 2025 and 2026 Performance-Based Restricted Stock Unit Agreement (Cumulative Adjusted EBITDA and Relative Total Shareholder Return)	10-K	001-34568	10.27	2/20/2025	

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.25	Investment Agreement, dated as of May 26, 2020, by and between OPENLANE, Inc. and Ignition Parent LP	8-K	001-34568	10.1	5/27/2020	
10.26a	Investment Agreement, dated as of May 26, 2020, by and between OPENLANE, Inc. and Periphas Capital GP, LLC	8-K	001-34568	10.2	5/27/2020	
10.26b	Assignment and Assumption Agreement, dated as of June 9, 2020, by and between Periphas Capital GP, LLC and Periphas Kanga Holdings, L.P.	10-K	001-34568	10.37b	2/18/2021	
10.27	Registration Rights Agreement, dated as of June 10, 2020, by and among OPENLANE, Inc. and Ignition Parent LP	8-K	001-34568	10.1	6/10/2020	
10.28	Registration Rights Agreement, dated as of June 29, 2020, by and between OPENLANE, Inc. and Periphas Kanga Holdings, LP	8-K	001-34568	10.1	6/29/2020	
10.29	Preferred Stock Repurchase Agreement, dated September 9, 2025, by and between OPENLANE, Inc. and Ignition Acquisition Holdings LP.	8-K	001-34568	10.1	9/9/2025	
10.30	Preferred Stock Repurchase Agreement, dated September 9, 2025, by and between OPENLANE, Inc. and Periphas Kanga Holdings, LP.	8-K	001-34568	10.2	9/9/2025	
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101	The following materials from OPENLANE, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Consolidated Statements of Income for the three and six months ended June 30, 2026 and 2025; (ii) the Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2026 and 2025; (iii) the Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025; (iv) the Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2026 and 2025; (v) the Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and 2025; and (vi) the Condensed Notes to Consolidated Financial Statements.					X
104	Cover page Interactive Data File, formatted in iXBRL (contained in Exhibit 101).					X

+ Certain information has been excluded from this exhibit because it is not material and would likely cause competitive harm to the registrant if publicly disclosed.

^ Portions of this exhibit have been redacted pursuant to a request for confidential treatment filed separately with the Secretary of the Securities and Exchange Commission pursuant to Rule 406 under the Securities Act of 1933, as amended.

* Denotes management contract or compensation plan, contract or arrangement.

SIGNATURE

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.

OPENLANE, Inc.
(Registrant)

Date: August 4, 2026

/s/ BRADLEY HERRING
Bradley Herring
Executive Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)