

**FOR IMMEDIATE RELEASE**

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**Nicholas Financial Reports
4th Quarter and Fiscal Year 2020 Results**

- *Income (loss) year-over-year before income taxes for the three months ended March 31, 2020 increased by 109.2% compared to prior year fourth quarter*
- *Originations year-over-year on new Contracts purchased and bulk portfolio purchases of approximately \$19.9 million for the three months ended March 31, 2020 increased by 86.3% compared to prior year fourth quarter*
- *Originations year-over-year on Direct Loans for the three months ended March 31, 2020 increased by 150.3% compared to prior year fourth quarter*
- *Accounts 60+ days delinquent decreased to 2.9%, excluding Chapter 13 bankruptcy accounts, compared to 3.3% as of the prior year fourth quarter*
- *Gross Portfolio Yield for the three months ended March 31, 2020 increased to 27.9% compared to 26.9% during the prior year fourth quarter*
- *The Company obtained a loan in the amount of approximately \$3.2 million from Fifth Third Bank in connection with the U.S. Small Business Administration's Paycheck Protection Program*

June 4, 2020 - Clearwater, Florida - Nicholas Financial, Inc. (NASDAQ: NICK) announced net income for the three months ended March 31, 2020 of \$2.3 million as compared to net loss of \$4.7 million for the three months ended March 31, 2019. Diluted net income per share was \$0.29 for the three months ended March 31, 2020 as compared to net loss per share of \$0.60 for the three months ended March 31, 2019. Revenue decreased 9.2% to \$14.9 million for the three months ended March 31, 2020 as compared to \$16.4 million for the three months ended March 31, 2019. The Company reported income before income taxes for the three months ended March 31, 2020 of \$0.6 million as compared to a loss before income taxes of \$6.0 million for the three months ended March 31, 2019. The Company recorded an income tax benefit of \$1.7 million during the three months ended March 31, 2020 as compared to \$1.2 million during the three months ended March 31, 2019.

In response to the global impacts of COVID-19 on U.S. companies and citizens, the government enacted the CARES Act on March 27, 2020. The CARES Act included several tax relief options for companies, which resulted in the following provisions available to the Company.

- The Company has elected to carryback its 2018 net operating losses of \$9.7 million to 2013, thus generating an anticipated refund of \$3.4 million and an income tax benefit of \$1.3 million. The tax benefit is the result of the federal income tax rate differential between the current statutory rate of 21% and the 35% rate applicable to 2013.
- The Company plans to carryback its 2019 net operating losses of \$2.9 million to 2014, thus generating an anticipated refund of \$1.0 million and an income tax benefit of \$0.4 million. The tax benefit is the result of the federal income tax rate differential between the current statutory rate of 21% and the 35% rate applicable to 2014.

During the quarter ended March 31, 2020, the Company had significant cash movements of approximately \$19.9 million for the bulk portfolio purchases and approximately \$7.4 million from the Credit Facility, which increased outstanding debt. The Company did not have any significant capital expenditures.

Net income for the year ended March 31, 2020 was \$3.5 million as compared to net loss of \$3.6 million for the year ended March 31, 2019. Diluted net income per share was \$0.45 for the year ended March 31, 2020 as compared to net loss per share of \$0.46 for the year ended March 31, 2019. Revenue decreased 12.9% to \$62.1 million for the year ended March 31, 2020 as compared to \$71.3 million for the year ended March 31, 2019. The Company reported income before income taxes for the year ended March 31, 2020 of \$2.2 million as compared to loss before income taxes of 4.6 million for the year ended March 31, 2019. The Company recorded an income tax benefit of \$1.2 million for the year ended March 31, 2020 as compared to \$0.9 million for the year ended March 31, 2019.

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“We are very pleased to return to profitability in Fiscal Year 2020, after posting negative earnings in each of the previous two years,” commented Doug Marohn, President and CEO of Nicholas Financial. “Although the uncertainty related to the Covid-19 pandemic and its impact on the economy is a very real factor, we believe the pieces are now in place to build upon those modest profits through market scale, new product offerings and other strategic initiatives.”

“As we navigate through the market conditions facing us today and impacting both our borrowing customers and our retail dealer partners, we are also focused on maintaining the underwriting and servicing discipline that allowed us to be profitable once again,” Marohn continued. “Our four-prong approach to growing our company is more important now than ever. We are dedicated to growing market share in our existing markets, we are expanding our Direct Loan program wherever we have a branch location, we are committed to expanding our branch network in Idaho, Iowa, Nevada, Utah, Wisconsin, and other locations, and we remain open to portfolio acquisitions as they present themselves.”

On May 27, 2020, the Company obtained a loan in the amount of \$3,243,900 from Fifth Third Bank in connection with the U.S. Small Business Administration’s Paycheck Protection Program (the “PPP Loan”). Pursuant to the Paycheck Protection Program, all or a portion of the PPP Loan may be forgiven if the Company uses the proceeds of the PPP Loan for its payroll costs and other expenses in accordance with the requirements of the Paycheck Protection Program. The Company intends to use the proceeds of the PPP Loan for payroll costs and other covered expenses and intends to seek full forgiveness of the PPP Loan as soon as permitted under the Paycheck Protection Program.

“The Company is very fortunate to have the benefit of the Paycheck Protection Program at this critical time,” Doug Marohn added. “With these additional funds, we are able to bring back 100% of our employees who were furloughed in April, release the hiring freeze implemented in March and ensure all of our existing branch offices will remain open and operational for the foreseeable future.”

If the PPP Loan is not fully forgiven, the Company will remain liable for the full and punctual payment of the outstanding principal balance plus accrued and unpaid interest. The PPP Loan accrues interest at a rate per annum equal to 1.00% and an initial payment of accrued and unpaid interest is due on December 27, 2020. The outstanding principal balance plus accrued and unpaid interest is due on May 27, 2022. The PPP Loan is unsecured. The PPP Loan may be prepaid at any time prior to maturity with no prepayment penalties. The Promissory Note contains events of default and other provisions customary for a loan of this type.

Cautionary Note regarding Forward-Looking Statements

Except for the historical information contained herein, the matters discussed in this news release include forward-looking statements, including expectations regarding the impact of COVID-19 on the Company’s business, its ability to obtain the expected financial and tax benefits from the CARES Act, and its ability to obtain loan forgiveness under its PPP loan, that involve risks and uncertainties, including risk relating to competition and our ability to increase and maintain yield and profitability at desirable levels, as well as risks relating to general economic conditions, including in connection with the current COVID-19 pandemic, access to bank financing, our ability to expand the geographical scope of, and otherwise continue growing, our Direct Loan operations, and other risks detailed from time to time in the Company’s filings and reports with the Securities and Exchange Commission including the Company’s Annual Report on Form 10-K for the year ended March 31, 2019. When used in this document, the words “anticipate”, “estimate”, “expect”, “will”, “may”, “plan,” “believe”, “intend” and similar expressions are intended to identify forward-looking statements. Such statements are based on the beliefs of Company management as well as assumptions made by and information currently available to Company management. Actual events or results may differ materially from those anticipated, estimated or expect. All forward-looking statements and cautionary statements included in this document are made as of the date hereof based on information available to the Company as of the date hereof, and the Company assumes no obligation to update any forward-looking statement or cautionary statement.

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Key Performance Indicators on Contracts Purchased
(Purchases in thousands)

| Fiscal Year /Quarter | Number of Contracts Purchased | Principal Amount Purchased# | Average Amount Financed*^ | Average APR* | Average Discount%* | Average Term* |
|----------------------|-------------------------------|-----------------------------|---------------------------|---------------|--------------------|---------------|
| 2020 | 7,647 | \$ 76,696 | \$ 10,035 | 23.4 % | 7.9 % | 47 |
| 4 | 1,991 | 19,658 | 9,873 | 23.5 % | 7.9 % | 46 |
| 3 | 1,753 | 17,880 | 10,200 | 23.3 % | 7.6 % | 47 |
| 2 | 2,011 | 20,104 | 9,997 | 23.5 % | 7.9 % | 46 |
| 1 | 1,892 | 19,054 | 10,071 | 23.4 % | 8.3 % | 47 |
| 2019 | 7,684 | \$ 77,499 | \$ 10,086 | 23.5 % | 8.2 % | 47 |
| 4 | 2,151 | 21,233 | 9,871 | 23.5 % | 8.0 % | 46 |
| 3 | 1,625 | 16,476 | 10,139 | 23.5 % | 8.1 % | 47 |
| 2 | 1,761 | 17,845 | 10,133 | 23.5 % | 8.4 % | 47 |
| 1 | 2,147 | 21,945 | 10,221 | 23.7 % | 8.3 % | 48 |
| 2018 | 9,767 | \$ 109,575 | \$ 11,219 | 22.4 % | 7.4 % | 54 |
| 4 | 2,814 | 29,254 | 10,396 | 23.3 % | 7.9 % | 50 |
| 3 | 2,365 | 27,378 | 11,577 | 21.7 % | 6.9 % | 54 |
| 2 | 2,239 | 25,782 | 11,515 | 22.0 % | 7.3 % | 55 |
| 1 | 2,349 | 27,161 | 11,563 | 22.3 % | 7.6 % | 55 |

Key Performance Indicators on Direct Loans Originated
(Originations in thousands)

| Fiscal Year /Quarter | Number of Loans Originated | Principal Amount Originated | Average Amount Financed*^ | Average APR* | Average Term* |
|----------------------|----------------------------|-----------------------------|---------------------------|---------------|---------------|
| 2020 | 3,142 | 12,638 | 4,017 | 28.2 % | 25 |
| 4 | 720 | 3,104 | 4,310 | 28.6 % | 25 |
| 3 | 1,137 | 4,490 | 3,949 | 28.4 % | 24 |
| 2 | 739 | 2,988 | 4,043 | 27.4 % | 25 |
| 1 | 546 | 2,056 | 3,765 | 28.2 % | 24 |
| 2019 | 1,918 | \$ 7,741 | \$ 4,036 | 26.4 % | 25 |
| 4 | 236 | 1,240 | 4,654 | 27.3 % | 24 |
| 3 | 738 | 2,999 | 4,063 | 25.9 % | 25 |
| 2 | 495 | 1,805 | 3,646 | 26.5 % | 25 |
| 1 | 449 | 1,697 | 3,779 | 25.7 % | 28 |
| 2018 | 2,036 | \$ 7,642 | \$ 3,754 | 25.2 % | 29 |
| 4 | 380 | 1,445 | 3,752 | 25.0 % | 29 |
| 3 | 622 | 2,218 | 3,566 | 25.2 % | 28 |
| 2 | 501 | 1,953 | 3,897 | 25.1 % | 29 |
| 1 | 533 | 2,026 | 3,801 | 25.4 % | 30 |

*Each average included in the tables is calculated as a simple average.

^Average amount financed is calculated as a single loan amount.

#Bulk portfolio purchase excluded for period-over-period comparability.

Nicholas Financial, Inc. is a publicly-traded specialty consumer finance company, operating branch locations in both Southeastern and Midwestern U.S. states. The Company has approximately 7.8 million shares of voting common stock outstanding. For an index of Nicholas Financial, Inc.'s news releases or to obtain a specific release, visit our web site at www.nicholasfinancial.com.

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Nicholas Financial, Inc.
Condensed Consolidated Statements of Income
(Unaudited, Dollars in Thousands, Except Share and Per Share Amounts)

| | Three months ended March 31, | | Twelve months ended March 31, | |
|--|---|-------------|--|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| Revenue: | | | | |
| Interest and fee income on finance receivables | \$ 14,896 | \$ 16,397 | \$ 62,095 | \$ 71,300 |
| Expenses: | | | | |
| Operating expenses | 8,583 | 8,934 | 34,432 | 33,548 |
| Provision for credit losses | 3,919 | 11,165 | 16,901 | 32,836 |
| Interest expense | 1,843 | 2,275 | 8,515 | 9,504 |
| Total expenses | 14,345 | 22,374 | 59,848 | 75,888 |
| Income (loss) before income taxes | 551 | (5,977) | 2,247 | (4,588) |
| Income tax benefit | (1,744) | (1,232) | (1,219) | (940) |
| Net income (loss) | \$ 2,295 | \$ (4,745) | \$ 3,466 | \$ (3,648) |
| Earnings (loss) per share: | | | | |
| Basic | \$ 0.29 | \$ (0.60) | \$ 0.45 | \$ (0.46) |
| Diluted | \$ 0.29 | \$ (0.60) | \$ 0.45 | \$ (0.46) |

Condensed Consolidated Balance Sheets
(Unaudited, In Thousands)

| | March 31, 2020 | March 31, 2019 |
|--|---------------------------|---------------------------|
| Cash and restricted cash | \$ 24,684 | \$ 37,642 |
| Finance receivables, net | 199,781 | 202,042 |
| Operating Lease Right-of-Use Assets | 1,864 | - |
| Other assets | 11,755 | 12,736 |
| Total assets | \$ 238,084 | \$ 252,420 |
| Credit facility | \$ 124,255 | \$ 142,619 |
| Operating Lease Liabilities | 1,883 | - |
| Other liabilities | 4,367 | 4,916 |
| Total liabilities | 130,505 | 147,535 |
| Shareholders' equity | 107,579 | 104,885 |
| Total liabilities and shareholders' equity | \$ 238,084 | \$ 252,420 |
| Book value per share | \$ 13.78 | \$ 13.26 |

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| Portfolio Summary | Three months ended | | Twelve months ended | |
|--|--------------------|------------|---------------------|------------|
| | March 31, | | March 31, | |
| | (In thousands) | | (In thousands) | |
| | 2020 | 2019 | 2020 | 2019 |
| Average finance receivables (1) | \$ 213,666 | \$ 243,462 | \$ 226,541 | \$ 270,106 |
| Average indebtedness (2) | \$ 121,733 | \$ 114,532 | \$ 132,552 | \$ 136,386 |
| Interest and fee income on finance receivables | \$ 14,896 | \$ 16,397 | \$ 62,095 | \$ 71,300 |
| Interest expense | 1,843 | 2,275 | \$ 8,515 | \$ 9,504 |
| Net interest and fee income on finance receivables | \$ 13,053 | \$ 14,122 | \$ 53,580 | \$ 61,796 |
| Portfolio yield (3) | 27.89 % | 26.94 % | 27.41 % | 26.40 % |
| Interest expense as a percentage of average finance receivables | 3.45 % | 3.74 % | 3.76 % | 3.52 % |
| Provision for credit losses as a percentage of average finance receivables | 7.34 % | 18.34 % | 7.46 % | 12.16 % |
| Net portfolio yield (3) | 17.10 % | 4.86 % | 16.19 % | 10.72 % |
| Operating expenses as a percentage of average finance receivables | 16.07 % | 14.68 % | 15.20 % | 12.42 % |
| Pre-tax yield as a percentage of average finance receivables (4) | 1.03 % | (9.82) % | 0.99 % | (1.70) % |
| Net charge-off percentage (5) | 11.29 % | 23.00 % | 10.01 % | 13.39 % |
| Allowance percentage (6) | 5.22 % | 6.97 % | 4.93 % | 6.28 % |

Note: All three-month and twelve-month statement of income performance indicators expressed as percentages have been annualized.

- (1) Average finance receivables represent the average of finance receivables throughout the period.
- (2) Average indebtedness represents the average outstanding borrowings under the Credit Facility.
- (3) Portfolio yield represents interest and fee income on finance receivables as a percentage of average finance receivables. Net portfolio yield represents (a) interest and fee income on finance receivables minus (b) interest expense minus (c) the provision for credit losses, as a percentage of average finance receivables.
- (4) Pre-tax yield represents net portfolio yield minus operating expenses, as a percentage of average finance receivables.
- (5) Net charge-off percentage represents net charge-offs (charge-offs less recoveries) divided by average finance receivables, outstanding during the period.
- (6) Allowance percentage represents the allowance for credit losses divided by average finance receivables outstanding during the period.

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The following tables present certain information regarding the delinquency rates experienced by the Company with respect to automobile finance installment contracts (“Contracts”) and direct consumer loans (“Direct Loans”), excluding any Chapter 13 bankruptcy accounts:

(In thousands, except percentages)

| Contracts | Balance | | | | | |
|----------------|-------------|-----------------|-----------------|------------------|--------|-----------|
| | Outstanding | 30 - 59 days | 60 - 89 days | 90 - 119 days | 120+ | Total |
| March 31, 2020 | \$ 207,247 | \$ 14,977 | \$ 4,290 | \$ 1,893 | \$ 19 | \$ 21,179 |
| | | 7.23 % | 2.07 % | 0.91 % | 0.01 % | 10.22 % |
| March 31, 2019 | \$ 220,995 | \$ 14,897 | \$ 5,155 | \$ 2,288 | \$ 10 | \$ 22,350 |
| | | 6.74 % | 2.33 % | 1.04 % | 0.00 % | 10.11 % |

| Direct Loans | Balance | | | | | |
|----------------|-------------|-----------------|-----------------|------------------|--------|--------|
| | Outstanding | 30 - 59 days | 60 - 89 days | 90 - 119 days | 120+ | Total |
| March 31, 2020 | \$ 11,844 | \$ 344 | \$ 136 | \$ 59 | \$ - | \$ 539 |
| | | 2.90 % | 1.15 % | 0.50 % | 0.00 % | 4.55 % |
| March 31, 2019 | \$ 7,999 | \$ 197 | \$ 79 | \$ 31 | \$ - | \$ 307 |
| | | 2.46 % | 0.99 % | 0.39 % | 0.00 % | 3.84 % |

As of March 2019, the Company changed its charge-off policy from 181 days past due to 121 days past due, which aligned with industry standards and the sub-prime nature of the customers. In the event of repossession, the charge-off will occur after standard collection practices by the Company, as determined by the residency state of a customer. Based on these actions, improved servicing, and stricter underwriting policies, management has been able to minimize the increases in the delinquency rates.

The following table presents selected information on Contracts purchased and Direct Loans originated by the Company:

| | Contracts# | | Direct Loans | |
|-------------------------|--------------------------|-----------|-----------------------------|----------|
| | Three months ended | | Three months ended | |
| | March 31, | | March 31, | |
| | (Purchases in thousands) | | (Originations in thousands) | |
| | 2020 | 2019 | 2020 | 2019 |
| Purchases/Originations | \$ 19,658 | \$ 21,233 | \$ 3,104 | \$ 1,240 |
| Average APR | 23.5 % | 23.5 % | 28.6 % | 27.3 % |
| Average discount | 7.9 % | 8.0 % | N/A | N/A |
| Average term (months) | 46 | 46 | 25 | 24 |
| Average amount financed | \$ 9,873 | \$ 9,871 | \$ 4,310 | \$ 4,654 |
| Number of contracts | 1,991 | 2,151 | 720 | 236 |

| | Contracts# | | Direct Loans | |
|-------------------------|--------------------------|-----------|-----------------------------|----------|
| | Twelve months ended | | Twelve months ended | |
| | March 31, | | March 31, | |
| | (Purchases in thousands) | | (Originations in thousands) | |
| | 2020 | 2019 | 2020 | 2019 |
| Purchases/Originations | \$ 76,696 | \$ 77,499 | \$ 12,638 | \$ 7,741 |
| Average APR | 23.4 % | 23.5 % | 28.2 % | 26.4 % |
| Average discount | 7.9 % | 8.2 % | N/A | N/A |
| Average term (months) | 47 | 47 | 25 | 25 |
| Average amount financed | \$ 10,035 | \$ 10,086 | \$ 4,017 | \$ 4,036 |
| Number of contracts | 7,647 | 7,684 | 3,142 | 1,918 |

#Bulk portfolio purchases excluded for period-over-period comparability.

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The following table presents selected information on the entire Contract and Direct Loan portfolios of the Company:

| Portfolio | Contracts | | | | Direct Loans | | | |
|----------------------------|-----------|---|--------|---|--------------|---|-------|---|
| | As of | | | | As of | | | |
| | March 31, | | | | March 31, | | | |
| | 2020 | | 2019 | | 2020 | | 2019 | |
| Average APR | 22.6 | % | 22.7 | % | 27.3 | % | 26.0 | % |
| Average discount | 7.58 | % | 7.47 | % | N/A | | N/A | |
| Average term (months) | 52 | | 53 | | 26 | | 27 | |
| Number of active contracts | 26,894 | | 27,106 | | 3,481 | | 2,489 | |

End