

Morses Club PLC

Resumption of U Account operations

Morses Club PLC ("Morses Club" or the "Group") is pleased to confirm that following the FCA's lifting of its suspension of the regulated activities of Wirecard Card Solutions Ltd ("Wirecard UK"), the operations of U Holdings Ltd ("U Account"), a leading digital current account provider and division of Shelby Finance Limited, a Morses Club subsidiary, have resumed and are operating as normal.

U Account customers are now able to access their accounts and transact as usual.

U Account is well progressed with its plans to launch a new banking service in the Autumn. In recognition of the considerable impact and distress the temporary freezing of its accounts has caused our customers, U Account is offering existing customers free banking services during July. Further information about the new banking service will be provided in due course.

U Account customers' money is held in a client account with Barclays UK, meaning that these funds are ringfenced and were not at risk despite the temporary suspension of Wirecard UK's activities.

Paul Smith, Chief Executive Officer of Morses Club, commented:

"We are extremely pleased that the FCA has lifted its suspension of Wirecard UK's activities and we can confirm that all of our customers' accounts are now operating as normal."

"We recognise that the temporary freezing of U Account's services has caused significant frustration and distress for our customers, who have remained our priority throughout. Although the situation was not caused by us, we feel strongly that our customers should be rewarded for their loyalty and as such are offering our existing banking customers free services during July. We are focussed now on the launch of a new banking service for our customers in the Autumn."

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Notes to Editors

About Morses Club

Morses Club is an established non-standard financial services provider, consisting of Morses Club, the UK's second largest home collected credit ("HCC") provider, and Shelby Finance Limited which operates online lending through its Dot Dot brand and online e-money current accounts through its U Account brand.

UK HCC is considered to be a specialised segment of the broader UK non-standard credit market. UK HCC loans are typically small, unsecured cash loans delivered directly to customers' homes. Repayments are collected in person during weekly follow-up visits to customers' homes. UK HCC is considered to be stable and well-established, with approximately 1.6 million¹ people using the services of UK HCC lenders.

The HCC division is the second largest UK Home Collected Credit (HCC) lender with 224,000 customers and 1,695 agents across 90 locations throughout the UK. The majority of the Company's customers are repeat borrowers and the HCC division enjoys consistently high customer satisfaction scores of 97%². In April 2016 its cashless lending product Morses Club Card was introduced, enabling its customers to buy online as well as on the high street. In February 2019, the Company introduced an online customer portal for its HCC customers, which now has over 78,000 registered customers.

Shelby Finance, via the Dot Dot brand has 37,000 active customers and via the U Account brand, has c.18,000 customers using the online e-money product. Dot Dot is a provider of 3 - 9 month short-term online loans and 18 – 48 month online loans in the non-standard credit market.

Morses Club successfully listed on AIM in May 2016.

About the UK non-standard credit market

The UK non-standard credit market, of which UK HCC is a subset, consists of both secured and unsecured lending and is estimated to comprise around 10 million consumers³ and total loan receivables of £10.7bn⁴.

Non-standard credit is the provision of secured and unsecured credit to consumers other than through mainstream lenders. Lenders providing non-standard credit principally lend on an unsecured basis and the market is characterised by high frequency borrowing. Approximately 2 million people move annually between standard and non-standard markets⁴.

Since February 2014, unsecured personal lending has grown from £161 billion to £216 billion in February 2019⁵.

1 High Cost Credit Review ANNEX 1 - July 2017

2 Independent Customer Satisfaction Survey conducted by Mustard

3 FCA High Cost Credit Review Technical Annex 1: CRA data analysis of UK personal debt - July 2017

4 Apex Insight - Non-Prime Consumer Credit: UK Market Insight Report - September 2019

5 Table A5.2, Bank of England Money and Credit Bank stats February 2019

This announcement constitutes inside information for the purposes of article 7 of the Market Abuse Regulation (EU) No 596/2014.