

Morses Club PLC

Further Update on Potential Scheme of Arrangement

Morses Club PLC (“Morses Club”, the “Company” or, together with its subsidiary undertakings, the “Group”), an established provider of non-standard credit services, provides the following update to investors.

Further Update on Potential Scheme of Arrangement

Following the Company announcements on 20 July 2022 and 11 August 2022 regarding the Board’s decision to pursue the potential use of a Scheme of Arrangement (the “Scheme”) to deal with customer redress claims for unaffordable lending against the Company and the steps taken to pause the processing of all new redress claims for unaffordable lending from 11 August, the Company has entered into a Voluntary Application for the Imposition of Requirements (“VREQ”), with the Financial Conduct Authority (“FCA”) which is available to view on the FCA Register.

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Notes to Editors

About Morses Club

Morses Club is an established provider of non-standard credit services in the UK. The Group consists of Morses Club, the UK’s largest home collected credit (“HCC”) provider¹, and Shelby Finance Limited, Morses Club’s Digital division, which operates under the online brand of Dot Dot Loans, an online lending provider. The Group’s growing Digital capabilities and scalable, highly invested IT platform has enabled Morses Club to deliver a range of lending products to the non-standard credit market.

UK HCC is considered to be a specialised segment of the broader UK non-standard credit market. UK HCC loans are typically small, unsecured loans delivered directly to customers either remotely or in their homes.

Morses Club's HCC division is the largest UK Home Collected Credit (HCC) lender¹ with 143,000 customers throughout the UK. The HCC division enjoys consistently high customer satisfaction scores of 97%². In 2019 the Company introduced an online customer portal for its HCC customers, used by 81% of customers

The Group's growing Digital division, Shelby Finance, operates under the online brand Dot Dot Loans which provides online instalment loans of up to 48 months to c. 39,000 active customers.

Morses Club 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 £9.6bn⁴.

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 £225 billion in February 2020. It has since contracted to £197 billion in August 2021⁵.

¹ Based on Net Loan Book of £45.3m as at 28 August 2021

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 - December 2020

⁵ Table A5.2, Bank of England Money and Credit Bank stats August 2021