

16 April 2020

Morses Club PLC

Launch of Remote Lending Product

Morses Club PLC ("Morses Club", the "Company" or the "Group"), an established provider of non-standard financial services, is pleased to announce the launch of a fully remote lending product within its Home Collected Credit ("HCC") division.

The new offering, which has been developed in-house, is available to all existing Morses Club HCC customers and is fully compliant with all regulatory requirements. All necessary checks and agreements will be transacted via Morses Club's online Customer Portal, leveraging Morses Club's existing technology platform. 95,000 customers are now registered for the customer portal and over 20% of all collections are now made using it. This, in addition to the other established ways in which customers can pay remotely, means that despite the impact of Covid-19, collections are running at 74% of pre-Covid-19 expectations as 33% of repayments have transferred from face to face to remote collections in just three weeks.

Customers using the new remote lending product can choose to have funds deposited directly into a bank account or loaded onto a Morses Club Card. More than 44,000 customers currently have a Morses Club Card, providing access to loans for those HCC customers who do not have a bank account.

Paul Smith, Morses Club's CEO, commented: "The launch of our new remote lending product to support our customers during this very difficult time is testament to our investment in technology and our strategy of ensuring that customers can access products and services flexibly. In addition, our Digital division continues to offer a wider range of digital products and is focused on high quality lending to both new and existing customers. Our approach to customer service and forbearance remains our top priority, with the business adapting to ensure that customers can still access the lending products they need."

For further information please contact:

Morses Club PLC

Paul Smith, Chief Executive Officer

Andy Thomson, Interim Chief Financial Officer

Tel: +44 (0) 330 045 0719

finnCap Ltd (Nomad and Joint Broker)

Jonny Franklin-Adams / Giles Rolls (Corporate Finance)

Tim Redfern / Richard Chambers (ECM)

Tel: +44 (0) 20 7220 0500

Peel Hunt (Joint Broker)

Andrew Buchanan / Rishi Shah / Duncan Littlejohns (Corporate)

Jock Maxwell Macdonald (ECM)

Tel: +44 (0) 20 7418 8900

Camarco

Jennifer Renwick / Kimberley Taylor

Tel: +44 (0) 20 3757 4994

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.