

Morses Club PLC

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.

Update on Potential Scheme of Arrangement

Following the announcement on 20 July 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, Morses Club has now taken steps to pause the processing of all new redress claims for unaffordable lending with immediate effect. This will allow the Company to further develop the detail regarding a potential Scheme to ensure the equitable treatment of all customers. As previously announced, the Directors believe that a successful Scheme would provide more certainty in respect of the total liability for redress claims and help to secure the longer-term stability of the Company.

The Company continues to engage with key stakeholders regarding a potential Scheme, and its future business model. The Company has appointed an independent Chairperson to set up a Customer Committee to represent eligible customers and assist the Company in developing the detail of any potential Scheme. As previously advised, any potential Scheme would be subject to the approval of the requisite majority of affected customers (i.e. those customers who received loans during the period to be covered by any Scheme) and, thereafter, the Court.

Gary Marshall, CEO of Morses Club commented: *“The Company’s decision to pause the processing of new redress claims with immediate effect represents a significant step in ensuring that we can successfully progress a potential Scheme of Arrangement. This helps to provide greater certainty with regard to the total liability arising from customer complaints and sets the business on a more secure footing for the future. We continue to work with all our key stakeholders to develop the detail of the potential Scheme. Our deep commitment to providing customers with access to credit in a growing market remains unchanged.”*

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014. The person responsible for this announcement is Graeme Campbell, Chief Financial Officer.

For further information please contact:

Morses Club PLC

Gary Marshall, Chief Executive Officer
Graeme Campbell, Chief Financial Officer

Tel: +44 (0) 330 045 0719

Peel Hunt (Nomad)

Paul Shackleton / Andrew Buchanan / Sam Milford (Investment
Banking Division)

Tel: +44 (0) 20 7418 8900

Camarco

Jennifer Renwick / Charlotte Hollinshead

Tel: +44 (0) 20 3757 4994

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 144,000 customers throughout the UK. The HCC division enjoys consistently high customer satisfaction scores of 98%². In 2019 the Company introduced an online customer portal for its HCC customers, which now has over 108,000 registered 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. 47,000 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

