

Morses Club PLC

Statement on FCA's Suspension of Wirecard Card Solutions Ltd

Morses Club PLC ("Morses Club" or the "Group") provides the following update in light of the FCA's continued suspension of the regulated activities of Wirecard Card Solutions Ltd ("Wirecard UK"), which is the card issuer and banking partner for U Holdings Ltd ("U Account"), a leading digital current account provider and division of Shelby Finance Limited, a Morses Club subsidiary.

U Account customer accounts have been temporarily frozen with access to view balances only. This is as a result of direct action on Wirecard's UK operations by the FCA. No prior communication was received by Morses Club from Wirecard UK. Morses Club has been in communication with the FCA directly to try and understand when a resolution will be found so that their customers can regain access to their own funds.

U Account customers' money is held in a client account with Barclays UK, meaning that these funds are ringfenced and not at risk.

U Account currently represents 2% of Morses Club's total income.

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

"We understand the frustration and distress that the requirements imposed on Wirecard UK by the FCA are causing our customers. We are in regular contact with the FCA and Wirecard UK to understand the situation and find a swift resolution for our U Account customers. While our customers' money is not at risk, we understand the difficulty this temporary suspension is causing our customers and we are working tirelessly to find a solution."

Morses Club intends to publish its FY20 results and provide an update on current trading by the end of July 2020.

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 (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 / Oliver Head

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.