

Morses Club PLC

Re-commencement of Lending to New HCC Customers

Morses Club PLC ("the Company" or "the Group"), an established provider of non-standard financial services, is pleased to announce that it has successfully launched a remote lending process for new home collect credit ("HCC") customers. This enables Morses Club to lend to new HCC customers for the first time since lockdown began in March 2020.

The introduction of the new remote lending process allows Morses Club agents to deal with new loan applications whilst still adhering to social distancing rules and represents a further step forward in the digitalisation of the Group to meet changing customer demands. The process utilises an electronic KYC system which meets Morses Club's high standards of customer care and satisfies all regulatory requirements. Customers' details and credit scores will be electronically verified using independent data sources and loans will be paid directly into the customer's own bank account.

Paul Smith, CEO of Morses Club commented,

"This represents a significant step forward for Morses Club, as we have been restricted to lending to existing HCC customers since the beginning of lockdown in March. We are delighted to be able to leverage our existing technology platform to meet the regulatory requirements necessary to serve new customers remotely. We continue to operate carefully, with the safety of our customers, managers and agents of paramount importance and we look forward to being able to provide new customers with the support they need in these difficult times."

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Notes to Editors

About Morses Club

Morses Club is an established provider of non-standard financial services in the UK. The Group consists of Morses Club, the UK's second largest home collected credit ("HCC") provider, and Shelby Finance Limited, Morses Club's digital division, which operates under two online brands, Dot Dot Loans, an online lending provider, and U Account, which offers online e-money current accounts. The Group's growing digital capabilities and scalable, highly invested IT platform has enabled Morses Club to deliver an increasingly broad range of financial products and services 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 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.

Morses Club's HCC division is the second largest UK Home Collected Credit (HCC) lender with 224,000 customers 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 2016, the Morses Club Card, a cashless lending product, was introduced and in 2019 the Company introduced an online customer portal for its HCC customers, which now has over 100,000 registered customers.

The Group's growing digital division, Shelby Finance, operates under two online brands. Dot Dot Loans provides online instalment loans of up to 48 months to 37,000 active customers. U Account is a leading digital current account provider offering an alternative to traditional banking by providing a fully functional agency banking service. U Account currently has c. 18,000 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 £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