

30 March 2023

Morses Club Limited

Scheme of Arrangement – Outcome of Court Convening Hearing

Morses Club Limited (the “Company”), an established provider of non-standard credit services, provides an update on the progress of the Scheme of Arrangement (the “Scheme”). At a Court hearing held on 29 March 2023, the Court approved an order for a Scheme Meeting to be held on 18 May 2023.

Those affected by the Scheme (collectively known as Scheme Creditors) are:

- (i) customers of Morses Club between 1 April 2007 and 2 August 2022 (or a company that Morses Club purchased loans from) that may have been issued a loan that was unaffordable or unsustainable
- (ii) the Financial Ombudsman Service (FOS) in respect of certain liabilities

The Scheme will be approved if:

- (i) it is approved by a majority of Scheme Creditors who vote on the Scheme (that is more than 50% in number), representing 75% or more in value
- (ii) the Court sanctions the Scheme at a second Court hearing, which is anticipated to take place on 26 May 2023

In support of the Scheme Meeting, the Company has begun a process of contacting Scheme Creditors to advise them of the Scheme Meeting and the voting process. Scheme Creditors wishing to vote and/or register to attend the Scheme Meeting must do so before 5pm on 12 May 2023.

The Scheme Meeting notice, the Explanatory Statement and other relevant documents are available on the Scheme website www.morsesclubscheme.com.

The Directors are of the opinion that the Scheme is in the best interests of Scheme Creditors and that they should vote in favour.

For further information please contact:

Morses Club

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

Tel: +44 (0) 330 045 0719

Camarco

Jennifer Renwick / Charles Dingwall

Tel: +44 (0) 20 3757 4994

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 largest home collected credit ("HCC") provider¹, and Shelby Finance Limited, Morses Club's Digital division, which operates under the online brand 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 broad range of lending 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.

Morses Club's HCC division is the largest UK Home Collected Credit (HCC) lender¹ with 116,000 customers throughout the UK. The HCC division enjoys consistently high customer satisfaction scores of 95%². In 2019 the Company introduced an online customer portal for its HCC customers, which now has over 95,000 registered customers which is 82% of HCC customers.

The Group's Digital division, Shelby Finance, operates under the online brand Dot Dot Loans providing online instalment loans of up to 48 months to c. 25,000 active customers.

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