

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ SEE ATTACHMENT

Multiple horizontal lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT


Multiple horizontal lines for providing information regarding loss recognition.


19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ SEE ATTACHMENT

Multiple horizontal lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 1/13/22
Print your name ▶ Jonathan Clark Title ▶ EVP & CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Thomas Stevens		1/13/2022		P00542073
	Firm's name ▶	Firm's EIN ▶		Phone no.	
	Firm's address ▶				

Encore Capital Group, Inc.
FEIN: 48-1090909
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account any noteholder's specific circumstances. Noteholders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

Encore Capital Group, Inc.
FEIN: 48-1090909
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part I, Lines 9 and 10

Description of Securities	CUSIP Numbers
3.25% Convertible Senior Notes due 2022 (the “2022 Notes”)	CUSIP: 292554 AK8
3.25% Convertible Senior Notes due 2025 (the “2025 Notes”)	CUSIP: 292554 AM4

Form 8937, Part II, Line 14

Encore Capital Group, Inc. (the “**Company**”) has two series of outstanding convertible notes: the 2022 Notes and the 2025 Notes (collectively, the “**Notes**”). Pursuant to the indentures for the Notes, the conversion rate is adjusted upon the Company making a tender offer for shares of its common stock.

On December 9, 2021, the Company settled a tender offer (the “**Tender Offer**”) pursuant to which the Company purchased an aggregate of 4,471,995 shares of its common stock for an aggregate cash purchase price of \$268,319,700. As a result of the Tender Offer, the conversion rate under the Notes was adjusted as follows:

Security	Adjustment per \$1,000	Conversion Rate Before	Conversion Rate After
2022 Notes	0.1150 shares	21.9467 shares	22.0617 shares
2025 Notes	0.1310 shares	25.0000 shares	25.1310 shares

The conversion rate adjustments (the “**Conversion Rate Adjustments**”) were effective immediately after 5 pm (New York City time) on December 3, 2021.

Form 8937, Part II, Line 15

For U.S. federal income tax purposes, the Company expects the Conversion Rate Adjustments to be treated as taxable dividends under sections 305(c) and 301(b). As a result, a holder’s tax basis in a Note should be

increased under section 301(d) by the amount of the dividend (see Line 16 for additional information). The date of the Conversion Rate Adjustment is December 3, 2021, and the tax basis increase per \$1,000 principal amount is as follows:

Security	Increase to Tax Basis
2022 Notes	\$6.67
2025 Notes	\$7.60

Form 8937, Part II, Line 16

One reasonable method to determine the fair market value of a deemed distribution is to multiply the conversion rate adjustments by the share prices that were used in the calculation of those conversion rate adjustments. The conversion rate under the Notes was adjusted using a formula provided in the respective indentures. The formula used an average of the last reported sales price of the Company's common stock over ten consecutive trading days commencing on, and including, the trading day immediately following the expiration date of the Tender Offer. The average stock price used to calculate the Conversion Rate Adjustments was \$58.023. The product of this average stock price and the Conversion Rate Adjustments is as follows:

Security	Conversion Rate Adjustment per \$1,000	10-Day Average Stock Price	Amount of the Deemed Dividend
2022 Notes	0.1150 shares	\$58.023 per share	\$6.67
2025 Notes	0.1310 shares	\$58.023 per share	\$7.60

Form 8937, Part II, Line 17

Sections 301(a), (b), (c)(1), (d); 305(b), (c).

Form 8937, Part II, Line 18

Not applicable. The Conversion Rate Adjustments do not result in a loss.

Form 8937, Part II, Line 19

The basis adjustment is taken into account in the tax year of the holder during which the Conversion Rate Adjustments occurred (e.g., 2021 for calendar year taxpayers).