Form **8937**(December 2017) Department of the Treasury Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

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OMB No. 1545-0123

► See separate instructions.

Pa	Reporting	Issuer			
1 1	ssuer's name				2 Issuer's employer identification number (EIN)
ENC	ORE CAPITAL EUROF	PE FINANCE LIMITE	D		98-1425317
	Name of contact for add			ne No. of contact	5 Email address of contact
MICH	HAEL R. HURLEY			(858) 309-6942	michael.hurley@mcmcg.com
6 Number and street (or P.O. box if mail is not			delivered to	street address) of contact	7 City, town, or post office, state, and ZIP code of contact
	= ========	20023			
	CAMINO DE LA REINA Date of action	SUITE 100	Q Class	sification and description	SAN DIEGO, CA 92108
0 1	Date of action		9 Olas	sincation and description	
DEC	EMBER 3, 2021		4 50% F	XCHANGEABLE SENIOR	NOTES DUE 2023
	CUSIP number	11 Serial number(s		12 Ticker symbol	13 Account number(s)
	29260U AA5	N/A		N/A	N/A
Pa					See back of form for additional questions.
14			pplicable, the	e date of the action or the o	date against which shareholders' ownership is measured for
	the action ► SEE AT	TACHMENT			
15	Describe the quantitat share or as a percenta				curity in the hands of a U.S. taxpayer as an adjustment per
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_					
_					
_					
16	Describe the calculation valuation dates ► SEE		asis and the	data that supports the calc	culation, such as the market values of securities and the
_					

Part	Щ	Organizational Action (cor	ntinued)			
17 L	ist the	applicable Internal Revenue Code	e section(s) and subsection	on(s) upon which the tax tr	eatment is based ▶	SEE ATTACHMENT
-						
-						
-						
18 (Can any	resulting loss be recognized? ▶	SEE ATTACHMENT			
-						
19 F	rovide	any other information necessary	to implement the adjustm	ent, such as the reportabl	e tax year ► <u>SEE A</u>	TTACHMENT
	-					
	Unde	penalties of perjury, I declare that I I	have examined this return, in	ncluding accompanying sched an officer) is based on all infor	dules and statements, mation of which prepar	and to the best of my knowledge and er has any knowledge.
Sign	Domon					101
Sign Here	<u>.</u>	MUXA	105		Data N	13/22
	Signa	ture /	0,4	<u></u>	Date >	all ata
	Print	vour name > Toha M	an Clark	LIFO	Title ► EV	PL CFO
Paid		Print/Type preparer's name	Preparer's signat	"" <i>WO</i>	1	Check if self-employed P00542073
Prep		Thomas Stevens			1/13/2022	Firm's EIN ▶
Use (Only	Firm's name				Phone no.
Send F	orm 89	Firm's address ► 37 (including accompanying state	ements) to: Department of	f the Treasury. Internal Re		
30.14		Gineaning and an infamily and a	, J O			

Encore Capital Europe Finance Limited FEIN: 98-1425317

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 Europe Finance Limited FEIN: 98-1425317

Attachment to Form 8937

Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part I, Lines 9 and 10

Description of Securities	CUSIP Number
4.5% Exchangeable Senior Notes due 2023	CUSIP: 29260U AA5

Form 8937, Part II, Line 14

Encore Capital Europe Finance Limited (the "Company") has an outstanding series of exchangeable notes, the 4.5% Exchangeable Senior Notes due 2023 (the "Notes"), which were issued pursuant to a supplemental indenture dated July 20, 2018. The Notes are exchangeable into common shares of the Company's parent, Encore Capital Group, Inc. ("Encore"), FEIN: 48-1090909, and are fully and unconditionally guaranteed by Encore.

Pursuant to the indentures for the Notes, the exchange rate is adjusted upon certain potentially dilutive events, including Encore making a tender offer for shares of its common stock. On December 9, 2021, Encore settled a tender offer (the "**Tender Offer**") pursuant to which Encore 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 exchange rate under the Notes was adjusted as follows:

Adjustment per \$1,000	Exchange Rate Before	Exchange Rate After	
0.1174 shares	22.4090 shares	22.5264 shares	

The exchange rate adjustment (the "Exchange Rate Adjustment") was effective immediately after 5 pm (New York City time) on December 3, 2021.

Form 8937, Part II, Line 15

Encore and the Company are taking the view that the Exchange Rate Adjustment represents a taxable dividend to noteholders 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 Exchange Rate Adjustment is December 3, 2021, and the tax basis increase per \$1,000 principal amount is \$6.81.

Noteholders are urged to consult their own tax advisors regarding the Exchange Rate Adjustment and the impact to tax basis resulting from the transaction.

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 or exchange rate adjustments by the share prices that were used in the calculation of those adjustments. The exchange rate under the Notes was adjusted using a formula provided in the indenture for the Notes. The formula used an average of the last reported sales price of Encore'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 Exchange Rate Adjustment was \$58.023. The product of this average stock price and the Exchange Rate Adjustment is as follows:

Exchange Rate	10-Day Average Stock	Amount of the Deemed
Adjustment per \$1,000	Price	Dividend
0.1174 shares	\$58.023 per share	\$6.81

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 Exchange Rate Adjustment does 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 Exchange Rate Adjustment occurred (e.g., 2021 for calendar year taxpayers).