

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

Blank lined area for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

Blank lined area for recognizing resulting loss.

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

Blank lined area for providing other 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 ▶ *[Handwritten Signature]* Date ▶ 1/13/22
Print your name ▶ Jonathan Clark Title ▶ EVP & CFO

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

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.

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FEIN: 98-1425317
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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 Adjustment per \$1,000	10-Day Average Stock Price	Amount of the Deemed 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).