



**Part II** Organizational Action *(continued)*

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

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18 Can any resulting loss be recognized? ▶ Please see attachment

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Please see attachment

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**Sign Here** 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.

Signature ▶ *Margaret Labno* Date ▶ 9/3/2024

Print your name ▶ Margaret Labno Title ▶ Vice President, Tax

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

**CURO Group Holdings Corp.**  
**FEIN: 90-0934597**

**Attachment to Form 8937 – Report of Organizational Action Affecting Basis of Securities**

**CONSULT YOUR TAX ADVISOR**

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “IRC”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the emergence transaction of CURO Group Holdings Corp. (“CURO Corp.”) and its debtor affiliates. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. CURO Corp. does not provide tax advice to its stockholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the IRC and as a convenience to stockholders and their tax advisors when establishing their specific tax position. You are urged to consult your own tax advisor regarding the particular consequences of the transaction to you, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.

Unless otherwise described herein, capitalized terms are defined as used in the “Joint Prepackaged Plan of Reorganization of CURO Group Holdings Corp. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (Modified)” filed with the United States Bankruptcy Court for the Southern District of Texas on March 25, 2024 and modified on March 28, 2024 and further modified on May 10, 2024 (the “Plan”) or in the related disclosure statement for the Plan filed on March 25, 2024 and modified on March 28, 2024 (the “Disclosure Statement”), as applicable.

**Part I – Box 8 – Date of action**

July 19, 2024 (the “Emergence Date”)

**Part I – Box 9 – Classification and description**

Common Stock: common Stock of CURO Corp. that was cancelled on the Emergence Date (the “CURO Corp. Common Stock”).

Debt: Prepetition 1L Term Loan Claims; Prepetition 1.5L Notes Claims; Prepetition 2L Notes Claims; DIP Claims.

**Part I – Box 10 – CUSIP Number**

CURO Corp. Common Stock: 23131L107  
Prepetition 1L Term Loan: 23131RAB-0  
Prepetition 1.5L Notes: 23131L AE7  
Prepetition 2L Notes: 23131L AC1; U12727 AB6

**Part II – Line 14 – Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action**

On March 25, 2024 (the “Petition Date”), CURO Corp. and certain of its direct and indirect subsidiaries (collectively, the “Debtors”) filed voluntary cases under chapter 11 of Title 11 (“Chapter 11”) of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “Bankruptcy Court”), Case No. 24-90165. Prior to the Petition Date, on March 22, 2024, the Debtors entered into a Restructuring Support Agreement (the “RSA”) with certain of its creditors. The RSA contemplated a prepackaged joint plan of reorganization (the “Plan”). On May 16, 2024, the Bankruptcy Court confirmed the Plan and on July 19, 2024 (the “Emergence Date”) the Debtors satisfied all conditions required for the Plan effectiveness and emerged from Chapter 11 with Curo Group Holdings LLC (“Curo Group Holdings”) as the new parent company and a non-SEC reporting private company.

In connection with the Debtors’ emergence from bankruptcy, the Debtors effectuated a series of transactions including the following:

- (i) A nominee for certain of the Debtors’ creditors formed Curo Group Holdings, which in turn formed Curo Group SPV LLC (“Curo Group SPV”) and Curo Group Intermediate LLC (“Curo Group Intermediate”), which in turn formed Curo Group LLC (“Curo Group”). Curo Group Holdings, Curo Group Intermediate, and Curo Group each elected to be treated as a corporation for U.S. federal income tax purposes as of their formation.
- (ii) Curo Group Holdings issued common units (“New Equity Interests”), warrants to purchase 15% of the New Equity Interests (“New Warrants”) (subject to dilution by any management incentive plan), First Out Exit Term Loans, Second Out Exit Term Loans, and contingent value rights (“CVRs”) (collectively, the “Restructuring Consideration”) and contributed the Restructuring Consideration as capital contribution to Curo Group Intermediate.
- (iii) Curo Group Intermediate then contributed the Restructuring Consideration to Curo Group as a capital contribution.
- (iv) On the Emergence Date, CURO Corp. transferred to Curo Group all of its assets, including the stock of Curo Financial Technologies Corp. but excluding the equity interests of Curo SPV LLC (“Curo SPV”), and liabilities (other than liabilities that are subject to restructuring), in exchange for the Restructuring Consideration from Curo Group.
- (v) On the Emergence Date, CURO Corp. transferred the Restructuring Consideration to CURO Corp.’s creditors and equity holders, as applicable, in satisfaction of their existing claims, including a portion of the Second Out Exit Term Loans being transferred to Curo SPV in cancellation of its claim (the “Exchange”).
- (vi) On the Emergence Date, Curo SPV merged with and into Curo Group SPV and Curo Group SPV issued new notes to Curo SPV’s lenders in cancellation of Curo SPV’s notes to such lenders.
- (vii) On the Emergence Date, CURO Corp. converted to Curo OldCo LLC, which is treated as a disregarded entity for U.S. federal income tax purposes.<sup>1</sup>

The following describes the exchange of the Restructuring Consideration between CURO Corp. and its creditors and equity holders:

#### *Treatment of Prepetition 1L Term Loan Claims*

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<sup>1</sup> Liquidation is expected to be completed as soon as practical after the emergence date.

On the Emergence Date, pursuant to the Plan, each holder of an allowed Prepetition 1L Term Loan Claim received, in full and final satisfaction of such Allowed Claim, its Pro Rata portion of the Second Out Exit Term Loans.

*Treatment of Prepetition 1.5L Notes Claims*

On the Emergence Date, pursuant to the Plan, each holder of an allowed Prepetition 1.5L Notes Claim received, in full and final satisfaction of such Allowed Claim, its Pro Rata share of (a) 100% of the New Equity Interests, less (b) the Prepetition 2L Notes Distribution (defined below) and the DIP Equity Fees, and (c) all subject to dilution by the New Warrants and the Management Incentive Plan.

*Treatment of Prepetition 2L Notes Claims*

On the Emergence Date, pursuant to the Plan, each holder of an allowed Prepetition 2L Notes Claim received, in full and final satisfaction of Allowed Claim, its Pro Rata share of (a) 10.1% of the New Equity Interests, subject to dilution by the New Warrants and Management Incentive Plan, and (b) the New Warrants (collectively, the “Prepetition 2L Notes Distribution”).

*Treatment of DIP Claims*

On the Emergence Date, pursuant to the Plan, in full and final satisfaction of such Claim (i) holders of the DIP Term Loan received 100% of the First Out Exit Term Loans, (ii) each holder of a DIP Claim received its Pro Rata portion of the DIP Exit Fee, and (iii) each DIP Backstop Commitment Party received its pro rata portion of the DIP Backstop Commitment Fee.

*Treatment of Holders of Existing CURO Interests*

On the Emergence Date, pursuant to the Plan, all Existing CURO Interests were cancelled and extinguished. Holders of Existing CURO Interests, including CURO Corp. Common Stock, received, in full and final satisfaction of such Interests, their pro rata share of CVRs (or cash in lieu of CVRs in certain circumstances).

**Part II – Line 15 – Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis**

*Effect on Basis to Holders of Prepetition 1L Term Loan Claims*

The Exchange of Prepetition 1L Term Loan Claims should be treated as a taxable exchange under section 1001 of the IRC. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, Holders should recognize gain or loss equal to the difference between (a) the issue price of the Second Out Exit Term Loans received in exchange for the Claim and (b) such Holder’s adjusted basis, if any, in such Claim. Holders should obtain a tax basis in the Second Out Exit Term Loans equal to the fair market value of the Second Out Exit Term Loans as of the Emergence Date and its holding period should begin on the day following the Emergence Date. Holders of Prepetition 1L Term Loan Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

*Effect on Basis to Holders of Prepetition 1.5L Notes Claims*

The Exchange of Prepetition 1.5L Notes Claims should be treated as a taxable exchange under section 1001 of the IRC. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, Holders should recognize gain or loss equal to the difference between (a) the fair market value of the New Equity Interests received in exchange for the Claim and (b) such Holder's adjusted basis, if any, in such Claim. Holders should obtain a tax basis in the New Equity Interests, other than any amounts received in satisfaction of accrued but untaxed interest, equal to the fair market value of the New Equity Interests as of the Emergence Date. The tax basis of any New Equity Interests received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, but in no event should such basis exceed the fair market value of the New Equity Interests received in satisfaction of accrued but untaxed interest. The holding period for the New Equity Interests should begin on the day following the Emergence Date. Holders of Prepetition 1.5L Notes Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

#### *Effect on Basis to Holders of Prepetition 2L Notes Claims*

The Exchange of Prepetition 2L Notes Claims should be treated as a taxable exchange under section 1001 of the IRC. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, Holders should recognize gain or loss equal to the difference between (a) the fair market value of the New Equity Interests received in exchange for the Claim and (b) such Holder's adjusted basis, if any, in such Claim. Holders should obtain a tax basis in the New Equity Interests, other than any amounts received in satisfaction of accrued but untaxed interest, equal to the fair market value of the New Equity Interests as of the Emergence Date. The tax basis of any New Equity Interests received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, but in no event should such basis exceed the fair market value of the New Equity Interests received in satisfaction of accrued but untaxed interest. The holding period for the New Equity Interests should begin on the day following the Emergence Date. Holders of Prepetition 2L Notes Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

#### *Effect on Basis to Holders of DIP Claims*

The Exchange of DIP Claims should be treated as a taxable exchange under section 1001 of the IRC. Other than with respect to any amounts received that are attributable to accrued but untaxed interest, Holders should recognize gain or loss equal to the difference between (a) the issue price of the First Out Exit Term Loans received in exchange for the Claim and (b) such Holder's adjusted basis, if any, in such Claim. Holders should obtain a tax basis in the First Out Exit Term Loans equal to the fair market value of the First Out Exit Term Loans as of the Emergence Date and its holding period should begin on the day following the Emergence Date. Holders of DIP Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

#### *Effect on Basis to Holders of Existing CURO Interests*

Although not free from doubt, the Debtors intend to take the position that the CVRs do not constitute "stock" or "debt" and that the Exchange constitutes a closed transaction for U.S. federal income tax purposes.

If the CVRs do not constitute "stock" or "debt" and the exchange of CVRs for Existing CURO Interests, including CURO Corp. Common Stock, constitutes a closed transaction for U.S. federal income tax

purposes (or a Holder only receives cash), the Exchange should be treated as a taxable exchange under section 1001 of the IRC. Holders should recognize gain or loss equal to the difference between (a) the sum of fair market value of the CVRs (and amount of cash in lieu of CVRs in certain circumstances) received in exchange for the Claim and (b) such Holder's adjusted basis, if any, in such Existing CURO Interests. Holders should obtain a tax basis in the CVRs equal to the fair market value of the CVRs as of the Emergence Date. The holding period for the CVRs should begin on the day following the Emergence Date.

As noted above, other characterizations are possible, and Holders of Existing CURO Interests should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

**Part II – Line 16 – Describe the calculation of the change in basis and the data that supports the calculation, such as the fair market values of securities and the valuation dates**

Valuation amounts below are based on fresh start valuation schedule provided July 25, 2024, actual amounts could be different.

*Holders of Prepetition 1L Term Loan Claims*

See Part II – Line 15 for a description of quantitative effect.

Based on information reasonably available as of the date of this attachment, the fair market value of the Second Out Exit Term Loans received by Holders of Prepetition 1L Term Loan Claims is approximately \$250.3 million. Holders of Prepetition 1L Term Loan Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

*Holders of Prepetition 1.5L Notes Claims*

See Part II – Line 15 for a description of quantitative effect.

Based on information reasonably available as of the date of this attachment, the implied equity value of New Equity Interests is approximately \$345.7 million with total units issued of 34,574,771, which results in \$10.00 value per unit. Holders of Prepetition 1.5L Notes Claims received approximately 30.26 million units with a fair market value of approximately \$302.6 million. Holders of Prepetition 1.5L Notes Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

*Holders of Prepetition 2L Notes Claims*

See Part II – Line 15 for a description of quantitative effect.

Based on information reasonably available as of the date of this attachment, the implied equity value of New Equity Interests is approximately \$345.7 million with total units issued of 34,574,771, which results in \$10.00 value per unit. Holders of Prepetition 2L Notes Claims received approximately 3.49 million units with a fair market value of approximately \$34.9 million. Holders of Prepetition 2L Notes Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

*Holders of DIP Claims*

See Part II – Line 15 for a description of quantitative effect.

Based on information reasonably available as of the date of this attachment, the fair market value of the First Out Exit Term Loans received by Holders of DIP Claims is approximately \$55.7 million. Holders of DIP Claims should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

*Holdings of Existing CURO Interests*

See Part II – Line 15 for a description of quantitative effect.

Fair market value of the CVRs is not currently available. Holders of Existing CURO Interests should consult their tax advisors to determine the tax consequences of the Exchange and Plan to them.

**Part II – Line 17 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based**

Holders of Prepetition 1L Term Loan Claims; Prepetition 1.5L Notes Claims; Prepetition 2L Notes Claims; DIP Claims; and Existing CURO Interests: sections 1001 and 1012 of the IRC.

**Part II – Line 18 – Can any resulting loss be recognized?**

*Holdings of Prepetition 1L Term Loan Claims*

The Exchange may result in a recognizable loss to Holders of Prepetition 1L Term Loan Claims to the extent the Holder's tax basis in such Claim exceeds the fair market value of the Second Out Exit Term Loans received in exchange for the Claim.

*Holdings of Prepetition 1.5L Notes Claims*

The Exchange may result in a recognizable loss to Holders of Prepetition 1.5L Notes Claims to the extent the Holder's tax basis in such Claim exceeds the fair market value of the New Equity Interests received in exchange for the Claim.

*Holdings of Prepetition 2L Notes Claims*

The Exchange may result in a recognizable loss to Holders of Prepetition 2L Notes Claims to the extent the Holder's tax basis in such Claim exceeds the fair market value of the New Equity Interests received in exchange for the Claim.

*Holdings of DIP Claims*

The Exchange may result in a recognizable loss to Holders of DIP Claims to the extent the Holder's tax basis in such Claim exceeds the fair market value of the First Out Exit Term Loans received in exchange for the Claim.

*Holdings of Existing CURO Interests*

The Exchange may result in a recognizable loss to Holders of Existing CURO Interests to the extent the Holder's tax basis in such Existing CURO Interests exceeds the fair market value of the CVRs received in exchange for the Existing CURO Interests.



**Part II – Line 19 – Provide any other information necessary to implement the adjustment, such as the reportable tax year**

The adjustments to basis would be taken into account in the taxable year of the applicable Holder that includes the date of the Exchange made pursuant to the Plan (i.e., July 19, 2024).