

## KSERVICING ANNOUNCES IT WILL IMPLEMENT ITS WINDDOWN THROUGH STREAMLINED CHAPTER 11 PROCEEDING

Wilmington, DE – October 3, 2022 – Kabbage, Inc. d/b/a KServicing (“**KServicing**” or the “**Company**”), a prominent servicer and subservicer of small business Paycheck Protection Program loans (“**PPP Loans**”), today announced that the Company has voluntarily filed for relief and protections under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware. KServicing has determined that a Chapter 11 restructuring proceeding provides the Company with beneficial flexibility and protections to consummate the winding down of its operations in an efficient and effective manner and will also provide a framework for resolution with key stakeholders and a possible global settlement of outstanding disputes.

The Company is focused on minimizing any disruption to its loan servicing obligations to ensure a seamless experience for all borrowers.

“The actions we take today are in line with KServicing’s mission to support PPP borrowers through their loan forgiveness process, provide loan processing services to partner banks, and wind down the Company’s existing loan portfolio,” Laquisha Milner, Chief Executive Officer, stated. “During the COVID-19 pandemic, the Company was instrumental in originating and servicing PPP loans in partnership with the federal government and bringing the benefits of the PPP to small businesses in underserved communities. We remain committed to providing high-quality service to borrowers and continuing to service PPP loans without interruption to the best of our abilities during this process.”

KServicing has filed a number of customary first day motions with the Bankruptcy Court that, among other things, seek authorization to continue the operations of the Company in the ordinary course of business. Further, as a routine matter, the Company has sought relief in the Chapter 11 Cases to continue paying all active employees in the ordinary course. This relief includes all wages, compensation, and other benefits, including healthcare. The Company expects to receive court approval for these requests.

The Company remains committed to maximizing the value of its business and strongly believes in its ability to effectively and efficiently wind down its operations through Chapter 11, a benefit that will inure to all stakeholders and other parties in interest.

KServicing’s Chapter 11 Cases are administered under case numbers 22-10951, 22-10952, 22-10953, 22-10954, 22-10955 and 22-10956, with a request for joint administration pending.

Weil, Gotshal & Manges LLP is acting as the Company’s restructuring counsel, Richards Layton & Finger P.A. is acting as the Company’s co-counsel and AlixPartners LLP is acting as financial advisor, in connection with the Chapter 11 Cases. For more information about the Chapter 11 Cases, including access to Court documents, please visit: <https://omniagentsolutions.com/KServicing>. KServicing also has established a restructuring information line that can be reached at the following number: (866) 956-2138 (toll free in U.S./Canada) or (747) 226-5953 (International).

### About KServicing

Founded in 2010 and headquartered in Atlanta, Georgia, Legacy Kabbage (a predecessor of KServicing) was one of the leading fintech providers of working capital to small businesses for over a decade. Legacy Kabbage began as a proprietary online lending platform for small businesses, providing loan services to over 250,000 American small businesses, many of which were businesses that struggled to receive adequate funding through traditional banking institutions. Legacy Kabbage offered a variety of services to small business owners, including providing small business loans, access to flexible lines of credit, business checking accounts, online bill payment methods, cash flow visualization tools, and e-gift certificates through its website and software application. From 2020-2021, the Company provided and facilitated necessary funding to small business owners through PPP loans during the COVID-19 pandemic. The Company’s existing technology infrastructure spearheaded its PPP work, which led to a total of \$7 billion in loans being originated by the Company.

The origination and servicing of PPP Loans and small business loans to eligible borrowers was critical during a time of unprecedented health and economic uncertainty brought about by the COVID-19 pandemic. On August 16, 2020, much of the Company’s business was sold to American Express Travel Related Services Company, Inc. pursuant to an executed *Agreement and Plan of Merger*. As a result of the merger, KServicing now operates in a limited capacity as (i) a servicer and subservicer of PPP Loans, (ii) a software services provider for lenders of PPP Loans, and (iii) a servicer of a minor portfolio of non-PPP small business loans.

To learn more about us, please visit [www.kservicing.com](http://www.kservicing.com). Kabbage is a trademark of American Express used under license; Kabbage, Inc. d/b/a KServicing is not affiliated with American Express.

For News and Media Information, please contact: [KServicingMedia@OmniAgnt.com](mailto:KServicingMedia@OmniAgnt.com).

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