

MATALAN

9 June 2020

Matalan issues practice statement letter relating to a scheme of arrangement in respect of its 9½% Second Lien Secured Notes due 2024 (Regulation S Notes ISIN: XS1756324684 and Rule 144A ISIN: XS1756325491)

As previously announced on 28 May 2020, Matalan Finance plc (the “**Issuer**”) is launching a scheme of arrangement under Part 26 of the Companies Act 2006 (the “**Scheme**”) for the purpose of amending the terms of the indenture governing the Issuer’s 9½% Second Lien Secured Notes Due 2024 (the “**Second Lien Notes**”) to, amongst other things, provide that payment of interest on the Second Lien Notes will be payable solely in payment-in-kind interest; *provided* that the Issuer will be permitted to pay cash interest on the Second Lien Notes in the future, subject to certain conditions including a reduction in overall indebtedness and a minimum liquidity test.

Further information in relation to the Scheme (including details of the relevant Scheme Court hearings, the first of which is scheduled for 29 June 2020) is set out in the practice statement letter issued by the Issuer today. A copy of the practice statement letter is available from Lucid Issuer Services Limited (see contact details below).

In connection with the Scheme, the Issuer entered into a lock-up agreement on 8 June 2020 which was later acceded to by certain of the holders of the Second Lien Notes (the “**Lock-Up Agreement**”). A copy of the Lock-Up Agreement is available from Lucid Issuer Services Limited should additional holders of Second Lien Notes wish to accede. As of the date of this announcement, the Lock-Up Agreement has been signed by noteholders representing 50.35 per cent. of the Second Lien Notes which are subject to the Scheme.

Enquiries:

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Forward-Looking Statements

This press release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 or Section 21E of the Securities Exchange Act of 1934, each as amended. Any such statements reflect the current views of the Issuer about further events and financial performance. No assurances can be given that such events or performance will occur.

About Matalan

Matalan is a £1.1 billion revenue value fashion and home omni-channel retailer. We currently operate 232 stores in the UK with a rapidly growing and complementary online channel. The ultimate parent company of Matalan is Missouri Topco Limited, with the group being ultimately controlled by the Hargreaves family.