

MATALAN

28 July 2020

Amendments to Matalan Finance plc's 9½% Second Lien Secured Notes due 2024 (Regulation S Notes ISIN: XS1756324684 and Rule 144A ISIN: XS1756325491)

Matalan Finance plc (the "**Issuer**") today provides an update in respect of the scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**").

As announced on 20 July 2020, the Scheme was approved by the requisite majorities of the Issuer's creditors at a scheme meeting on 20 July 2020 and the Issuer sought sanction of the Scheme by the High Court of Justice of England and Wales at a hearing which took place yesterday, 27 July 2020 (the "**Sanction Hearing**").

The Scheme was approved at the Sanction Hearing by an order of Mr Justice Miles (the "**Sanction Order**"). The Sanction Order was filed at Companies House and the Scheme become effective earlier today, 28 July 2020.

The amendments proposed under the Scheme become effective today, 28 July 2020. The Scheme, amongst other things, provides that payment of interest on the Issuer's 9½% Second Lien Secured Notes due 2024 (the "**Second Lien Notes**") will be solely in payment-in-kind interest; *provided* that the Issuer will be permitted to pay cash interest on the Second Lien Notes, subject to certain conditions including a reduction in overall indebtedness and a minimum liquidity test. Interest due 31 July 2020 on the Second Lien Notes will be payable as payment in kind interest.

The successful implementation of the Scheme enables the Issuer to preserve cash during its post-Covid 19 recovery trajectory. The Scheme along with the additional liquidity measures announced on 9 June 2020 ensures that the group has sufficient headroom to trade through the Covid-19 pandemic.

In addition, as the Second Lien Notes are governed by New York law, as an ordinary course procedural matter typical for scheme implementation, the Issuer will file for recognition of the Scheme and certain interim relief under Chapter 15 of the US Bankruptcy Code tomorrow, 29 July 2020 ("**Chapter 15 Filing**").

Copies of the Scheme documents and the documents in connection with the Chapter 15 Filing will be available on the scheme website and from the Information Agent (see contact details below).

Enquiries:

Information Agent:

Lucid Issuer Services Limited

Website: www.lucid-is.com/matalan

Telephone: +44 207 704 0880

Attention: David Shilson

Email: matalan@lucid-is.com

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 230 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.