TVL FINANCE plc

INTERIM TRADING UPDATE

28 JANUARY 2026

Capitalised terms not otherwise defined in this report shall have the meanings assigned to such terms in the offering memorandum of TVL Finance PLC dated 21 April 2023 relating to TVL Finance PLC's Senior Secured Notes (the "Offering Memorandum").

PRESENTATION OF FINANCIAL DATA

The report summarises certain preliminary consolidated financial data and operating data of Thame and London Limited and its subsidiaries, which include TVL Finance PLC.

This report has been prepared on the basis of a calendar year from 1 January to 31 December. For management reporting purposes we use a 5-4-4 week accounting calendar. This accounting method divides our fiscal year into four quarters, each comprising two periods of four weeks and one period of five weeks. We have adopted this accounting method because it allows us to manage our business on the basis of 52 weekly periods which consistently end on the same weekday. In order to align this method with our quarterly and statutory annual accounting period, we make certain adjustments to our results at the end of each fiscal quarter, in accordance with International Financial Reporting Standards ("IFRS").

The summary financial information provided in this report has been derived from our records for the period from 1 January 2025 to 31 December 2025 and 1 January 2024 to 31 December 2024, which are maintained in accordance with IFRS.

We continue to present certain non-IFRS information in this report. Non-IFRS information includes, among others, "EBITDA (adjusted)", which represents earnings before interest, tax, depreciation and amortisation and non-underlying items, on a pre-IFRS 16 basis, and before rent phasing adjustment. Our non-IFRS information is not defined under IFRS or any other generally accepted accounting principles. In order to facilitate the comparability of the underlying business and clarify the calculation of our non-IFRS information, additional columns have been added in some areas of the document to reflect the position in line with IFRS.

Management believe that EBITDA (adjusted) (defined in the Operating and Financial Review section of the statements) is a is meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA (adjusted) is used by the management to track our business performance, establish operational and strategic targets and make business decisions. The most directly comparable IFRS measure to EBITDA (adjusted) is profit/(loss) for the period. Non-IFRS information have limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results or any performance measures under IFRS.

DISCLAIMER

This report is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities. This report does not contain all of the information that is material to an investor.

FORWARD LOOKING STATEMENTS

This report contains "forward-looking statements" as that term is defined by the U.S. federal securities laws and within the meaning of the securities laws of certain other jurisdictions. These forward-looking statements include, without limitation, those regarding our intentions, beliefs or current expectations concerning our future financial condition or performance, result of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; future developments in the markets in which we participate or are seeking to participate; and anticipated regulatory changes in the industry in which we operate.

These statements often include words such as "anticipate", "believe", "could", "estimates", expect", "forecast", "intend", "may", "plan", "projects", "should", "suggests", "targets", "would", "will" and other similar expressions. These statements are not guarantees of performance or results. Many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections.

We undertake no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this report.

TVL Finance plc
Update for the quarter and year ended 31 December 2025

Good Q4 performance, revenue growth, solid liquidity

Overview – quarter ended 31 December 2025 (unaudited)

- Revenue approximately £261m, up 4.3% vs 2024 (£250.5m)
- RevPAR[1] up 2.3% to £55.73 vs 2024 (£54.50)
- RevPAR performance in line with the competitive segment[2]

Overview – year ended 31 December 2025 (unaudited)

- Revenue approximately £1,044m, up c. 0.7% vs 2024 (£1,036.6m)
- RevPAR[1] down (1.9)% to £57.00 vs 2024 (£58.14)
- Cash of £113m at 31 December 2025
- Largest development programme in over a decade with 21 new hotels opened

Summary

The improved trading conditions previously announced continued throughout quarter four, driven by good LfL RevPAR growth and the contribution from new and maturing hotels. Both London and the Regions delivered solid results, with strong leisure demand, benefitting from a series of events across a range of markets, and solid business demand. Our ongoing investments in our customer proposition and revenue management capabilities are supporting this momentum. We performed in line with the competitive segment as expected. Excellent development progress, with 21 new hotels opened during the year across a range of both leasehold and freehold models and further pipeline deals signed.

Trading performance for the year reflects the challenging UK market trading conditions in the first half of the year, offset by the improved performance seen in the second half, benefitting from a strong Q3 events schedule. Our food & beverage performance was good, benefitting from our 85 Bar Café roll out and investments in menu upgrades and the Spanish business performed well throughout the year, achieving good revenue growth across both like-for-like and new hotels.

We ended the year with a solid liquidity position and held cash balances of c. £113m.

Outlook

Following the UK Budget in November, we are now providing the latest view on cost guidance for 2026.

Overall, we expect gross cost inflation of 6%-7.5% and, with our ongoing efficiency programme, we expect net cost inflation of 5%-6.5%, before new hotels.

[1] Revenue per available room (computed as a product of the average room rate for a period multiplied by the occupancy for that period), average room rate and occupancy on a UK like-for-like basis for the management accounting period for the year 2 January 2025 to 31 December 2025 (4 January 2024 to 1 January 2025) and for the quarter 2 October 2025 to 31 December 2025 (3 October 2024 to 1 January 2025).
[2]. Our competitive segment is the Midscale and Economy Sector of the UK hotel market as reported by Smith Travel Research (STR), an independent hotel research provider, providing aggregate benchmarking information on the UK and other hotel market performance.

Our cost base remains largely fixed, with the most significant costs being rent, payroll costs (including the impact of increases in the National Living Wage and employer national insurance contributions), energy and business rates.

We continue to manage inflationary pressures, through in-sourcing, leveraging technology and efficiency initiatives, while maintaining investments in growth and quality.

Our cost guidance in relation to rent, wages and energy is unchanged from November. We expect rent for Travelodge OpCo Group (Thame and London Limited) of between £295m and £305m in 2026, and wages to increase by c. £9m in 2026, reflecting the increase in the National Living Wage alongside the annualisation of the 2025 National Living Wage increase and reduction in the threshold that employers start to pay National Insurance. Energy commodity costs are hedged, and we are not expecting a significant increase in energy costs in 2026.

This update mainly relates to the impact of business rates and emerging regulatory costs as detailed below.

The upcoming business rates revaluation due from April 2026 is expected to increase this cost from approximately £38m in 2025 to approximately £50m in 2026. We are still awaiting confirmation from the Government about any further relief package. Our firm position remains that any mitigations or easements being considered for pubs should also be extended to the hospitality sector more widely.

Further significant increases are expected over 2027/2028 as transitional relief phases out - the interaction between the higher multiplier, the 2026 revaluation and the stepped transitional regime would, on current assumptions, see our English business-rates liability (approximately 89% of the total for 2025) almost double over the life of the next three years. We also expect the Employment Rights Bill and the potential new visitor levies to add to the cost base, though the impact is not yet quantifiable, and so are not included in our overall, inflation guidance above.

We will maintain a prudent approach to cash management, balancing liquidity with continued investment in both the core estate and development. In 2026, we expect capex of approximately £100m, with just under half allocated to discretionary refit investments, alongside new hotel development, technology and essential maintenance.

Our full year 2025 bond statement and update call are planned for the end of March, with the Annual Report and Financial Statements to follow.

In the near term, it is clear that the UK operating environment has become more challenging. The cumulative impact of recent policy changes – including higher business rates, rising employment costs and new regulatory requirements – is significantly increasing our cost base. While Travelodge has strategies in place to manage these pressures, their effects will be reflected in a more measured pace of growth in the UK market in the near term, as the policy landscape continues to evolve.

Although macroeconomic uncertainties persist, Travelodge’s strong brand, direct distribution model and balanced customer mix position the Group well for medium-term growth. Investments in both the UK and Spain are delivering results, and the Group remains confident in the structural outlook for the budget hotel sector, supported by resilient fundamentals and an attractive supply backdrop.

About Travelodge

Travelodge is one of the leading platforms in the UK and is the second largest hotel brand in the UK with 625 hotels and approximately 49,000 guest bedrooms[1], right across the UK as well as in Ireland and Spain.

1. As at 31 December 2025

Notes:

Financial results in this summary document are extracts from the management reporting of Thame and London Limited and its subsidiary companies, including Travelodge Hotels Limited.

Smith Travel Research (STR) is an independent hotel research provider, providing aggregate benchmarking information on the UK and other hotel market performance.

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