



## NOTIFICATION TO BONDHOLDERS

by

**TRAVELODGE GROUP**  
**(Thame and London Limited and its subsidiaries)**

concerning

**Issuer: TVL Finance plc**  
**Notes: £440,000,000 Senior Secured Floating Rate Notes due 2025**  
**ISINs: XS2021472084 (Reg S); XS2021486035 (Rule 144A)**

Thame, United Kingdom — 18 November 2020

### **Further Progress on Recovery Plan** **Refinancing of £60m Super Senior Revolving Credit Facility and Equity Injection**

The Group confirms that it has now signed the refinancing of its £60 million Super Senior Revolving Credit Facility, which is due to fund on 1 December 2020. The Group also confirms, further to the announcement on 3 November, that its shareholders will inject an additional £30 million of equity funding into the business simultaneously with the funding of the refinancing and in any event by 2 December 2020.

While the impact of Covid-19 continues to present material uncertainty for the Group and its operations, the new longer-term financing and additional shareholder equity funding serve to strengthen the Group's financial position. The Group will continue to assess the ongoing situation and to review its financial position as appropriate.

#### *The New Facility*

The Group has entered into a new super senior term facility agreement (the "**Super Senior Facility Agreement**") which refinances and replaces the £60 million super senior revolving credit facility entered into on 20 April 2020 (the "**Refinancing**"). The proceeds of the Super Senior Facility will be used to fund our general corporate and working capital requirements. The new agreement extends the maturity of the facilities from 1 May 2022 under the previous facility, to 5 July 2024 under the new Super Senior Facility, the same maturity date as the Existing RCF Agreement (as defined below). There will be no scheduled repayment of the principal under the new Super Senior Facility before 5 July 2024. The initial fees payable in connection with the new Super Senior Facility are deferred until after 31 December 2021, the end of the rent concession period contained in Travelodge Hotels Limited's (the "Company's") company voluntary arrangement. A proportion of the interest will also be payable in kind at the Borrower's election.

The Super Senior Facility Agreement includes representations and warranties, undertakings, financial covenants and events of default and other terms and conditions which are customary for a facility of this type. The Super Senior Facility Agreement includes a cross event of default to the Existing RCF Agreement (including the financial covenant) and the Senior Secured Notes, and call protection in the event the loan is repaid during the first three years it is outstanding.

## Structure

The Company entered into the Super Senior Facility Agreement following a competitive process conducted by the Group's financial advisor that involved a range of third party lenders. Following conclusion of extensive negotiation with the third party lenders and review of the proposed terms, the Group concluded that a lending group consisting of certain shareholder affiliates was able to provide terms that were more favorable to the Group than those that were available from a comparable transaction with third party lenders.

The Super Senior Facility agreement is between, among others, Travelodge Hotels Limited (the "**Borrower**"), Thame and London Limited (the "**Parent**" and together with its subsidiaries, the "**Group**"), the Issuer, certain funds managed or advised by GoldenTree Asset Management and certain funds managed or advised by Avenue Europe International Management, L.P. (or affiliates thereof) (the "**Lenders**") and Global Loan Agency Services Limited (the "**Agent**") in respect of a £60 million single currency, super senior term facility (the "**Super Senior Facility**") to be provided in accordance with the terms thereof.

The Super Senior Facility is guaranteed and secured by certain members of the Group incorporated in England & Wales or Jersey, and ranks (a) as to right of payment outside of an enforcement scenario, *pari passu* with the super senior revolving credit facilities agreement dated April 26, 2016, as amended and restated on May 10, 2016 and June 28, 2019, between, among others, the Borrower and Barclays Bank plc as Agent (the "**Existing RCF Agreement**") and the Senior Secured Notes due 2025 issued by the Issuer (the "**Senior Secured Notes**") and (b) as to proceeds of enforcement of transaction security under the intercreditor agreement dated May 10, 2016 between, among others, the Parent, Barclays Bank PLC as Original RCF Agent and U.S. Bank Trustees Limited as Senior Secured Notes Trustee and the Security Agent (the "**Intercreditor Agreement**"), *pari passu* with the Existing RCF Agreement and other obligations permitted to be secured on a super senior basis under the Intercreditor Agreement and in priority to the Senior Secured Notes.

ENDS

## **About Travelodge**

Founded in 1985, Travelodge is one of the UK's leading hotel brands. There were 589 Travelodge hotels and 45,012 rooms in the United Kingdom, Spain and Ireland as at June 30, 2020. Travelodge welcomes approximately 19 million customers every year and over 11,500 colleagues worked across the business as at the end of 2019.

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*This release may contain forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts included in this release including, without limitation, statements regarding Travelodge's future financial position, risks and uncertainties related to its business, strategy, capital expenditures, projected costs and Travelodge's plans and objectives for future operations may be deemed to be forward-looking statements. Words such as "believe," "expect," "anticipate," "may," "assume," "plan," "intend," "will," "should," "estimate," "risk," and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties and may describe events and depend on circumstances that may or may not occur in the future. All of these forward-looking statements are based on estimates and assumptions made by such entities that, although believed to be reasonable, are inherently uncertain. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement. Travelodge does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

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*This release contains information that prior to its disclosure may have constituted inside information under Regulation (EU) 596/2014 (16 April 2014).*

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