

**THAME AND LONDON LIMITED
INTERIM TRADING UPDATE
(UNAUDITED)**

TVL FINANCE PLC

YEAR ENDED 31 DECEMBER 2021

INTERIM TRADING UPDATE TO NOTEHOLDERS

£440,000,000 SENIOR SECURED FLOATING RATE NOTES DUE 2025

£65,000,000 SENIOR SECURED FIXED RATE NOTES DUE 2025

(the "Notes")

1 March 2022

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Capitalised terms not otherwise defined in this Interim Report shall have the meanings assigned to such terms in the offering memorandum of TVL Finance PLC relating to the £440,000,000 Senior Secured Floating Rate Notes 2025 dated 28 June 2019 (the "Offering Memorandum").

PRESENTATION OF FINANCIAL DATA

The report summarises the consolidated financial data and operating data from the consolidated financial statements of Thame & London Limited and its subsidiaries ("the Group") which include TVL Finance PLC. 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 and our like-for-like reporting is prepared on this basis. In order to align this method with our quarterly and statutory annual accounting period on the basis of a calendar year from 1 January to 31 December, we make certain adjustments to our results at the end of each quarter to ensure that the reported period aligns with the corresponding calendar quarter. The Group will continue to present its consolidated financial statements going forward on this basis and will apply similar adjustments, in accordance with IFRS, to its interim financial statements.

The summary financial information provided has been derived from our records for the period from 1 January 2021 to 31 December 2021, and 1 January 2022 to 23 February 2022, which are maintained in accordance with International Financial Reporting Standards ("IFRS"). This information has not been audited or reviewed, nor have any procedures been performed by our independent auditors with respect thereto. Accordingly, you should not place undue reliance on such financial results. Our financial results are based upon a number of assumptions and judgments that are subject to inherent uncertainties and are subject to change, and are not intended to be a comprehensive statement of our financial or operational results for the periods presented.

We continue to present certain non-IFRS information in this interim report. This information includes "EBITDA (adjusted)", which represents earnings before interest, tax, depreciation and amortisation, and before rent phasing adjustments, non-underlying items and reflective of the position in line with the accounting principles before IFRS 16. This measure also reflects the rent reductions following the CVA in the previous financial year which was completed on 19 June 2020, recognised in line with the cash benefit. Non-underlying items have been removed as they relate to non-recurring, one-off items.

Certain financial information, measures and ratios related thereto in this interim report, including the financial information presented on a 'before IFRS 16' basis and EBITDA (adjusted) (the "Non-IFRS Measures") are not specifically defined under IFRS or any other generally accepted accounting principles.

Management believe that EBITDA (adjusted) 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 of the Group to track our business performance, establish operational and strategic targets and make business decisions.

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 2021

Strong quarter 4 performance, some Omicron impact, but encouraging signs of recovery in February

Overview – quarter ended 31 December 2021 (unaudited)

- Revenue approximately £185m, up c.2% vs 2019
- RevPAR⁽¹⁾ up 5.9% to £43.24 vs 2019
- RevPAR performance 10.3pts ahead of the competitive segment⁽²⁾

Overview – year ended 31 December 2021 (unaudited)

- Revenue approximately £560m, down c.23% vs 2019 (2019: £727.9m)
- RevPAR⁽³⁾ down 21.5% to £33.05 vs 2019
- RevPAR performance 10.8pts ahead of the competitive segment⁽²⁾
- EBITDA (adjusted)⁽⁴⁾ profit of approximately £80m (2019: profit £129.1m)
- Cash of £142.8m at 31 December 2021

Summary

Following our record trading performance in quarter 3, Travelodge delivered a strong performance in quarter 4. At the start of the quarter, demand began to seasonally transition from the high leisure demand periods to traditionally more business demand driven weeks, and net ADR was impacted by the increase in the VAT rate from 5% to 12.5% from 1 October. However, RevPAR remained above 2019 levels, driven by extended leisure demand, until Omicron started to impact performance around the end of December.

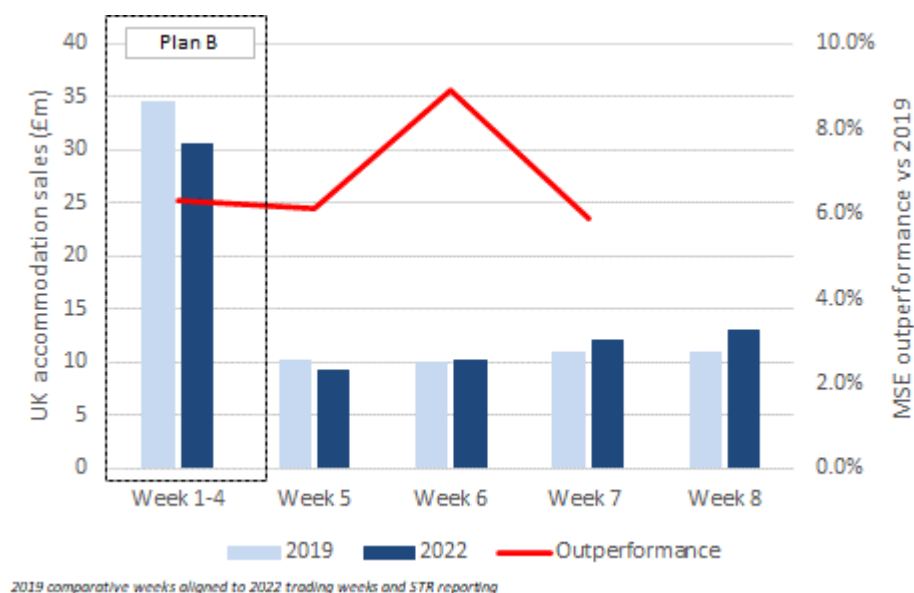
Outlook

The first weeks of 2022 continued to be impacted by Omicron, particularly during mid-week and in Central London. Trading performance has improved following the lifting of Plan B measures, with revenue getting back to 2019 levels by early February and improving through the month.

1 Revenue per available room, Average room rate and Occupancy on a UK like-for-like basis for the management accounting period 30 Sept 2021 to 29 Dec 2021 and 3 Oct 2019 to 25 Dec 2019 for the fourth quarter.
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
3 Revenue per available room, Average room rate and Occupancy on a UK like-for-like basis for the management accounting period 31 Dec 2020 to 29 Dec 2021 and 3 Jan 2019 to 25 Dec 2019 for the year.
4 EBITDA (adjusted) = Earnings before interest, tax, depreciation and amortisation, and before rent adjustment and non-underlying items, and in line with historic accounting principles (before IFRS 16). This measure reflects the cash benefit of rent reductions following the CVA which completed on 17 June 2020. Non-underlying items have been removed as they relate to non-recurring, one-off items
5 Management accounting weeks 30 Dec 2021 to 16 Feb 2022 and 3 Jan 2019 to 20 Feb 2019

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We have continued to outperform the STR MSE benchmark segment with UK like-for-like RevPAR performance in the first 7 weeks of the first quarter of 2022⁽⁵⁾ approximately 6.4pts ahead of the competitive segment⁽²⁾ with London and the Regions both outperforming.



Our cash position remains strong.

The budget segment continues to recover ahead of the total UK market, and Travelodge has continued its seven-year track record of outperformance against the market segment. We expect to return to 2019 RevPAR levels during 2022, driven by continued leisure and 'blue collar' business demand offsetting a slower recovery in 'white collar' corporate demand as people gradually return to work now the work from home restrictions have been lifted. We expect continued inflationary pressures on costs and therefore do not anticipate EBITDA will recover to 2019 levels in 2022. We have now started our refit programme, with the capex for this covered in our overall guidance of c. £70m for 2022.

Forecasting remains a challenge and we continue to face a range of possible outcomes and will therefore retain some flexibility on capex. However, with our large network of hotels, value proposition and focus on domestic travel we are well positioned to benefit in the expected recovery.

We currently anticipate issuing our full year 2021 bond statement, together with an update call at the end of March and the audited Annual Report and Financial Statements to follow in April.

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Notes

Thame and London Limited is currently discussing the audit of its financials for the year ended 31 December 2021 with its auditors.

The group prepares numerous liquidity scenarios and has considered a number of severe but plausible downside scenarios, including the possibility that the recovery of trade takes longer than assumed. Based on these scenarios, taking account of reasonably possible changes in trading performance, Travelodge currently believes that it remains appropriate to adopt the going concern basis in preparing the consolidated financial statements. However, the ongoing impact of Covid-19 on the group remains uncertain.

About Travelodge

Founded in 1985, Travelodge is one of the UK's leading hotel brands. There were 592 Travelodge hotels and 44,984 rooms in the UK, Ireland and Spain as at 31 December 2021.

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. All financial references in this summary document are unaudited.

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