



## **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**

**£65,000,000 Senior Secured 9.000% Notes due 2025**

**ISIN Numbers: XS2021472084 (Reg S); XS2021486035 (Rule 144A);**

**XS2275056211; Common Code: 227505621**

Thame, United Kingdom – December 14, 2022

## **Announcement of Lease Regears**

Thame and London Limited hereby is pleased to announce that Travelodge Hotels Limited (“Travelodge”) has exchanged contracts with LXI REIT plc (“LXI”) on a lease regear on all of the 122 Travelodge hotels which they acquired as part of the Secure Income REIT (“SIR”) acquisition in July 2022.

### **Regear details**

Caps and collars (4% pa and 1% pa, respectively) have been inserted on the previously uncapped and uncollared RPI rent reviews and the reviews have been converted to CPI+0.5% pa (to future-proof them for the phasing out of the RPI by 2030), and the unexpired lease terms on the 122 Travelodge hotels have been extended by a weighted average of nine years.

Travelodge has also taken the opportunity to agree “green lease” provisions within the leases, including to effect the following principles: (i) sharing of energy, water, recycling and waste data; and (ii) co-operating on the environmental, social and governance strategies of the landlord and tenant.

Travelodge and LXI have also agreed the “rent-smoothing” of these 122 hotels. This means that the individual rent levels have been reset per hotel to best reflect the trading performance of each site. The total rent across the hotels remains the same, but has been “smoothed” on a site by site basis, to ensure that each hotel has a robust stand-alone rent cover (EBITDA/rent).

We’re delighted to have worked so effectively with LXI to execute this lease regear and rent-smoothing exercise, whilst inserting green lease provisions. The move from RPI to CPI linked rent reviews with the caps in place limits the impact of the currently high inflation environment. Benefiting from our strong brand, large, diversified network of hotels, direct distribution model, value proposition, customer mix and domestic travel focus, Travelodge remains well positioned.

### **About Travelodge**

Founded in 1985, Travelodge is one of the UK’s leading hotel brands. There were 595 Travelodge hotels and 45,624 rooms in the United Kingdom, Spain and Ireland as at 30 September 2022.

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