

## **Travelex Financing Plc**

### **Statement regarding business update**

Travelex Financing PLC  
27 March 2020

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**Travelex Financing Plc**  
**(the "Issuer")**

### **Statement Regarding Board Independence, COVID-19, Discussions with Stakeholders, and Covenant Compliance**

The Issuer wishes to update all stakeholders of Travelex Holdings Limited ("**Travelex**") and its subsidiaries (together, the "**Travelex Group**") on the status of the business and the steps being taken to address the current situation.

#### **Travelex Group Independent of Finabl**

A key concern raised by Travelex's stakeholders relates to the ongoing difficulties faced by indirect parent, Finabl and its shareholders. Last week saw the Finabl representatives Dr BR Shetty, Binay Shetty, Abdulrahman Basaddiq and Promoth Manghat resign from the Travelex board. The continuing Travelex board directors are Tony D'Souza, Travelex CEO, and James Birch, Travelex General Counsel.

These changes mean that there is no longer any overlap between the boards of Travelex and Finabl. The Travelex Group has a legal and financing structure capable of operating separately, on a stand-alone basis, and recent board changes reflect this independence from Finabl and its shareholders.

The Travelex Group is currently considering available candidates that could be appointed as independent non-executive directors to provide additional experience and governance support during this period.

Travelex has also appointed an independent team of advisers to support the Travelex Group, separate to those appointed by Finabl, including Sidley Austin LLP as legal advisor and PwC as financial advisor.

### **Covid-19**

Over the last few days, the UK Government has introduced strict new measures to reduce the spread of Covid-19, including a requirement for most retail businesses to close. Therefore, we have taken the decision to close temporarily all our UK foreign exchange bureaux, effective from 24th March 2020. The time scale for bureaux closure is currently anticipated to be eight weeks; however, with the uncertainty around Covid-19, there is a possibility that this could continue over a longer time period. A similar approach is being considered and adopted elsewhere in the world where Travelex operates. As always, the safety and security of our employees, customers and partners is of paramount concern.

Travelex is following government advice closely and is updating its response to the crisis where necessary. It is also working with its professional advisers to access various government support measures, both in the UK and elsewhere.

### **Stakeholder Discussions**

Travelex and its advisers have commenced discussions with certain of the group's lenders and their advisers and with the advisers to certain bondholders representing more than 60% of the outstanding face value of the Senior Secured Notes.

In parallel, we are also exploring various avenues with stakeholders to ensure continued access to funds. We note the recent letter from HM Treasury, the Bank of England and the FCA in regard to, inter alia, new or increased overdrafts from UK banks, and are grateful to the Company's key lenders who have already been providing support through this challenging period for the Travelex Group.

Our lenders and noteholders are key stakeholders of the Travelex Group and have demonstrated a willingness to engage to stabilise the business and agree a long term solution for the Travelex Group.

### **Covenant Compliance**

Based on unaudited management accounts TP Financing 3 Limited and Travelex Limited (the "RCF Borrowers") complied with their Q4 2019 financial covenant requiring a Leverage Ratio at or below 3.48x. As we noted in our press release of 2 March 2020, Travelex estimated that there will be a reduction of Underlying EBITDA in Q1 2020 compared to the equivalent period of 2019, mostly attributable to the malware, although we expect to offset some of this in due course with a claim under our cyber-insurance policy. The timing of EBITDA recognition and receipt of the insurance recovery is yet to be determined. Since 2 March, the outbreak of COVID 19 has resulted in an increased number of airline cancellations and airport closures which is likely to worsen the position.

The Travelex Group's current view is that the RCF Borrowers are unlikely to comply with the required Leverage Ratio for Q1 2020, which is due to be tested on 31 March 2020. The

Company is intending to use its grace periods to seek appropriate waivers from its lenders under its Revolving Credit Facility.

### **Delivery of Accounts**

The Travelex Group currently believes that it is unlikely to be able to provide its audited financial statements for the fiscal year ending 31 December 2019 by the 30 April deadline imposed by the terms of the Senior Secured Notes and the Revolving Credit Facility. Again, the Company is intending to use its grace periods to seek appropriate waiver and/or forbearance arrangements from its Revolving Credit Facility Lenders and its Noteholders.

Tony D'Souza, CEO said:

“The Travelex Group has a rich heritage and systemic role in the foreign exchange market, with a solid reputation and a recognised brand. We value the support we receive from partners, regulators and other stakeholders. This support was clearly demonstrated by the strongly positive and constructive responses Travelex received following our recovery from the cyber-attack that impacted Travelex early in 2020. We remain committed to tackling the tough challenges ahead of us and are absolutely dedicated to ensuring the long-term success of the business. We thank all of our stakeholders for their continued support.”

### **Enquiries**

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