New Travelex Group

Market Announcement

March 2023

DISCLAIMER

This presentation (the “Presentation”) has been prepared by Travelex Topco Limited and its subsidiaries (together the “New Travelex Group”) together with its advisers and representatives. This Presentation is intended exclusively for existing investors in Travelex Topco Limited or members of its corporate group (“Existing Investors”) for the exclusive use of the persons to whom it is addressed (the “Recipient”), and their advisers.

The purpose of this Presentation is to assist the Recipient in deciding whether it wishes to provide additional financing to the New Travelex Group in the form of subscriptions for additional Sterling notes under the Trust Deed dated 6 August 2020 (as amended from time to time) between, among others, Travelex Issuerco 2 PLC (the “Company”) and GLAS Trustees Limited as note trustee (the “Trust Deed” and the “Financing”). It is not intended to form the basis of any decision to proceed with the Financing, or to make any other investment, or to enter into any other transaction concerning the New Travelex Group.

This Presentation includes forward-looking statements. These forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends", "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause such actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements, including without limitation with respect to the impact of the COVID-19 pandemic, including the duration, spread, severity, and any recurrence of the COVID-19 pandemic and the duration and scope of related government orders and restrictions in our activities.

This Presentation (which does not purport to be comprehensive as to the information that the Recipient will need to make an informed investment decision with regards to the Financing) has been made available on the Company website and through RNS. If you are in any doubt as to your legal obligations with respect to “inside information” or your obligations under the Market Abuse Regulation (Regulation (EU) 596/2014, as amended “MAR”), or MAR as it forms part of UK domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018, each as amended, you are encouraged to seek independent legal advice.

This Presentation is exempt from the scope of the prohibition under s.21 of the Financial Services and Markets Act 2000 (as amended) under article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529) (“FPO”). In the United Kingdom this Presentation is only addressed to and directed at, and matters described therein will only be engaged in with, Existing Investors who fall within the description in Article 19(5) (Investment professionals) or Article 49(2) (High net worth companies, unincorporated associations etc.) of FPO; and who meet the definition of a “per se professional client” as defined in the Handbook of Rules and Guidance issued by the United Kingdom Financial Conduct Authority (such persons “Relevant Persons”). Persons other than Relevant Persons should not act or rely on the information set out in this Presentation. [This Presentation is only directed at and matters described therein will only be engaged in with Existing Investors in any member state of the European Economic Area who meet the definition of a “professional client” as defined under Directive 2014/65/EU.]

DISCLAIMER

Neither the information nor the opinions contained in the Presentation have been independently verified by any adviser to the New Travelex Group. While the contents of this Presentation have been prepared in good faith, the New Travelex Group does not accept any liability or responsibility for the accuracy or completeness of such contents and any such liability is expressly disclaimed.

The Recipient agrees that the information is proprietary to the New Travelex Group and it has no rights to it. No representation or warranty, express or implied, is given by the New Travelex Group, its respective advisers or any of their respective directors or employees or any other person as to the accuracy or completeness of the contents of this Presentation or to the accuracy or completeness of the projections included within this Presentation or of any other document or information supplied at any time in connection with the Financing. In particular, no representation or warranty is given as to the achievement or reasonableness of any future projections, management estimates, prospects or returns that may be contained in this Presentation or in any other related information. The only representations and warranties that will be made are those that may eventually be included in a definitive agreement in respect of the Financing.

Neither this Presentation nor any of the information contained in it shall form the basis of any contract in respect of the Financing, nor does it constitute an offer or invitation in respect of the Financing.

Neither the receipt of this Presentation by any person nor any information contained in it or supplied with it or subsequently communicated to any person in connection with the Financing constitutes, or is to be taken as constituting, the giving of advice to any such person. Each such person should make its own independent assessment of the merits or otherwise of the Financing and should take its own professional advice.

In furnishing the Presentation, the New Travelex Group undertakes no obligation to provide any additional information or to update this Presentation or any additional information or to correct any inaccuracies in this Presentation or any additional information which may become apparent.

Business Update and Financial overview

Business Update

- In 2022, with the lowering of travel restrictions in most major markets, significant pent up demand for travel evident and continued focus on cost investment in line with returning revenues, the Group consistently traded above expectations and returned to a positive EBITDA performance of £23.0m, exceeding the £16.5m guidance published in December 2021 by £6.5m, despite £2.4m of one-offs in late Q4 which were not indicative of underlying trading performance.

- Further strong growth in revenues and earnings are forecast in FY23 with the Group expecting an EBITDA of between £60m to £70m, which would be a record result for the Group on a 'like for like' basis.

- IATA[1] has reported that air travel demand has had a very healthy start in 2023 helped by the rapid removal of travel restrictions in Asia, the continued recovery in all other regions, and with demand for travel remaining strong despite the economic and geopolitical uncertainties since 2022.

- With the continued recovery in travel and growth in the Group's revenues, further investment in working capital is required to support the planned earnings for FY23 and £20m of additional funding is being sought to help meet that demand.

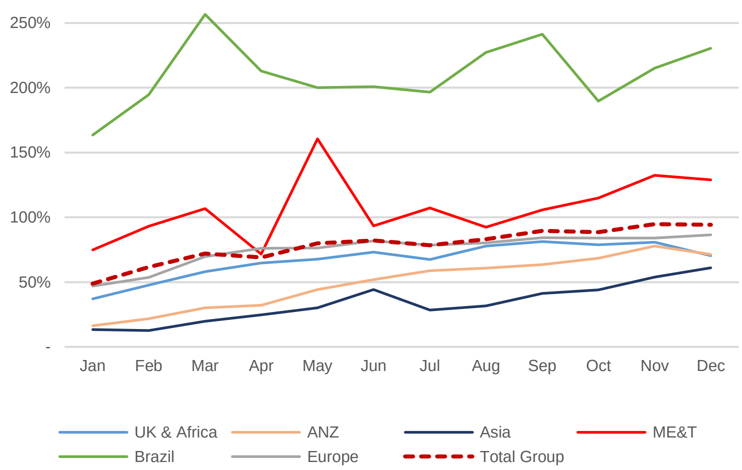
- With this investment, and further cost and liquidity initiatives, the Group remains in a strong position to continue to grow and remain the most recognised, respected and reliable brand in international money for our customers and partners.

1: Source: IATA Passenger Demand Stays Strong in January 08 March 2023 (https://www.iata.org/en/pressroom/2023-releases/2023-03-08-01/)

The business has rebounded strongly following significant pandemic disruption

£m at actual FX Rates	FY19 A	FY20 A	FY21 A	FY22 A
Turnover	40,195.4	13,432.2	13,996.1	28,107.0
Net Revenue	552.0	154.5	160.5	429.1
Rent	(152.1)	(49.7)	(41.1)	(116.6)
Other Variable Costs	(81.7)	(28.3)	(28.0)	(65.4)
Staff Costs	(206.1)	(111.3)	(90.4)	(151.7)
Other Costs	(74.8)	(68.9)	(49.2)	(72.5)
Underlying EBITDA	**37.3**	**(103.8)**	**(48.2)**	**23.0**
KPIs				
Revenue as % of 2019	-	29%	31%	79%
EBITDA Margin	7%	(67%)	(30%)	5%
Staff Costs / Net Revenue	(37%)	(72%)	(56%)	(35%)

FY22 Net Revenue as % of 2019



FY19-21

- Strong performance in FY19 saw the business deliver adjusted EBITDA of £37.2m.
- FY20-FY21 financial performance was heavily impacted by the pandemic and associated effects on global travel demand.
- In response, the business temporarily segmented certain divisions to protect the more resilient operations, whilst warehousing others that were forecast to have a slower recovery.
- FY20 and FY21 performance was further mitigated by reductions in rent across airports and stores, and a significant cost cutting programme delivered throughout the business.

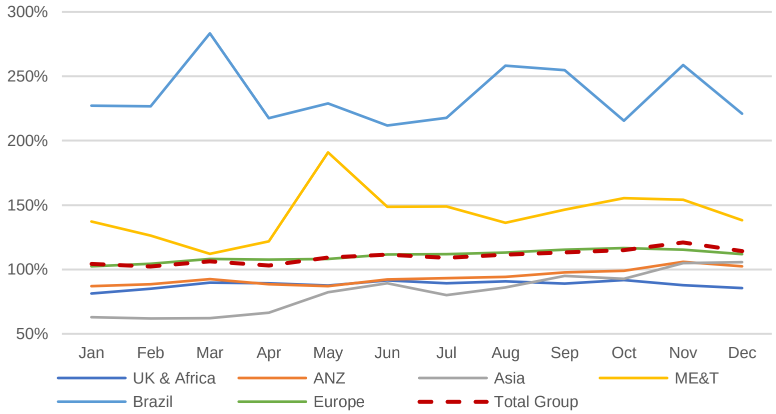
FY22

- FY22 has seen a significant rebound in global travel with FY22 outturn revenues forecast at 79% of FY19 levels (and up to 92% by Q4 FY22), despite the Omicron COVID variant affecting travel at the start of the year.
- Brazil and ME&T FY22 net revenues both exceeded 100% of FY19, with Qatar and the UAE benefiting from the impact of major global events including the FIFA World Cup and Expo.
- The recoveries in the UK, ANZ and Europe benefited from a strong summer trading period while Asia continued to lag behind as Covid restrictions remained in place in HK and China, although these restrictions have recently been removed.
- Cost reinvestment was linked to revenue recovery with the business investing in headcount to meet the travel sector demand rebound.
- The Group consistently traded above expectations and returned to a positive EBITDA performance in FY22 with £23.0m, exceeding the £16.5m guidance published in December 2021 by £6.5m.

Positive momentum is forecast to continue into FY23 as the Group completes its recovery

£m at 2023 Budget FX Rates	FY22 A	FY23 B
Turnover	28,107.0	40,255.9
Net Revenue	429.1	594.3
Rent	(116.6)	(167.6)
Other Variable Costs	(65.4)	(83.5)
Staff Costs	(151.7)	(201.2)
Other Costs	(72.5)	(78.7)
Underlying EBITDA	**23.0**	**63.4**
KPIs		
Revenue as % of 2019	79%	110%
EBITDA Margin	5%	11%
Staff Costs / Net Revenue	(35%)	(34%)

FY23 Net Revenue as % of 2019



FY23

- FY23 forecast net revenue of £594m (110% of adjusted FY19 revenues) is predominantly driven by expected increases in passenger numbers across all geographies as global travel continues to recover.
- With the improved trading conditions, the Group is expected to deliver a record EBITDA in 2023 on a 'like for like' basis.
- All Retail businesses are forecast to exceed or reach close to 100% of adjusted FY19 revenues by the end of FY23, including Asia, which has lagged behind other geographies due to the delay in lifting of pandemic restrictions in Hong Kong and China in particular.
- ME&T, Brazil and Europe continue to show material growth driven by:
  - ME&T: increased passenger numbers in key airports, strategic store expansions and incremental revenues from both the newly set-up wholesale banknotes ('Wholesale') business in ME&T, as well as strength in Wholesale elsewhere
  - Brazil: increased revenues from international payments within the Bank business and full recovery of the Retail business.
  - Europe: expanded Schiphol Airport contract driving incremental revenues alongside other revenue-focused initiatives.
- £51m of additional rent costs vs. FY22 is largely driven by the costs associated with increased business volumes as global travel continues to recover.
- Staff costs increase of 34% versus prior year is largely driven by the annualisation of FY22 hires (£23.5m), new FTEs in FY23 (£13.5m) to support the growth in revenue, as well as the impact of inflationary increases.
- Other increases in costs are due to inflationary pressures and increased investment in IT (e.g. cyber investment and a Finance Transformation programme).
- January and February 2023 actual results are aligned with expectations.

The Retail & Outsourcing segment drives most of the growth in FY23 as passenger numbers recover across all regions

FY23 Net Revenue breakdown by geography

£m at 2023 Budget FX Rates	FY22 A	FY23 B	% Growth	% of 2019
UK & Africa	145.2	188.3	30%	88%
ANZ	38.2	69.8	83%	94%
Asia	24.6	59.3	141%	83%
ME&T	68.9	91.7	33%	142%
Brazil	96.9	107.1	10%	234%
Europe	48.6	70.1	44%	111%
Other Trading	6.7	7.9	18%	142%
Net Revenue	**429.1**	**594.3**	**38%**	**110%**

FY23 Net Revenue breakdown by segment

£m at 2023 Budget FX Rates	FY22 A	FY23 B	% Growth	% of 2019
Retail & Outsourcing	325.0	470.6	45%	100%
Wholesale	25.3	36.1	43%	74%
Brazil Bank	71.0	77.9	10%	282%
Net Revenue	**429.1**	**594.3**	**38%**	**110%**

FY23

- UK Retail & Outsourcing will continue to improve in FY23 through the annualisation of reopened stores across 2022 following the return of more frictionless travel. Investment is being made in trading staff to support store re-openings to full capacity towards peak.
- ANZ revenues are budgeted to increase by 83% on FY22 as passenger numbers and flights to, and within, this region continue to recover. Market share continues to be captured from further market consolidation following the pandemic disruption.
- Asia is expected to grow 141% on FY22 and reach over 106% of 2019 by December 2023 as Japan, Hong Kong and China all fully ease border restrictions after much delay.
- ME&T continues to perform well above 2019 on the annualisation of higher run rates on revenue recovery, new stores in Dubai and Qatar, and the new Wholesale business commencing in 2023.
- Brazil sees more modest growth in the Bank in 2023, 282% up on 2019 after the significant growth in recent years. Growth on FY22, will be driven by the payments business, and new products, while the fully recovered Retail business remains a key contributor to the Group.
- Europe revenue growth is led by the expanded Schiphol Airport contract and the continuing passenger recovery across the region, particularly towards peak trading over the summer.

To meet demand as global travel continues to recover, further working capital investment in FY23 is required to support the Group's planned earnings

£m	FY22 A	FY23 B
Travelex Group		
Net Revenue	429.1	594.3
Costs	(406.1)	(530.9)
Underlying EBITDA	**23.0**	**63.4**
Free Cash Entities Cash Flow		
Underlying EBITDA	(5.8)	19.3
Non-underlying expenses	(4.5)	(1.6)
EBITDA	**(10.3)**	**17.7**
Movements in:		
CITV	(39.1)	(26.7)
Other working capital	0.5	16.9
Capex	(5.7)	(11.6)
Tax (paid)/received	(0.4)	(1.4)
Intra-group funding (including dividends)	(1.2)	3.7
Cash inflow/(outflow) before ext. fin.	**(56.3)**	**(1.4)**
Interest	(4.5)	(6.6)
Funding	70.0	20.0
Cash inflow/(outflow)	**9.3**	**12.0**
Opening cash	25.7	35.0
Closing cash	**35.0**	**47.0**
KPIs		
Revenue as % of 2019	79%	110%
Average CITV	53.6	80.3

FY23

- The strong growth in revenues and earnings forecast in FY23 is driving an increase in working capital, principally in the form of cash in tills and vaults ("CITV"), particularly over the Group's key peak trading periods in Q2 and Q3.
- The Group is seeking £20m of working capital funding to help support this growth and meet the demand of returning passengers globally.
- The business continues to focus on investment that will support recovery and drive growth, including IT infrastructure upgrades and back office investment with Capex of £11.6m forecast in FY23.
- Growth in dividends is expected from the ME&T region following the strong recovery in 2022 in this region, but this is offset by the continued recovery of China where its reliance on funding from the Group is forecast to decrease in 2023.

Sixth Tap Terms & Timetable

Proposed Terms of the Sixth Tap Issuance

Additional New Money Notes ("NMNs")	▪ Aggregate principal amount: £20m (net cash amount) of additional NMNs (senior secured, pari passu with existing NMNs) ▪ Cashless Issuance Premium: 12.5% (subject to adjustment) ▪ Denomination: GBP ▪ Economic terms: same as existing NMNs
Subscription	▪ All existing holders of NMNs to be given the opportunity to participate on a pro rata basis with respect to their holdings of NMNs ▪ Over subscription permitted. Final allocations to be determined by issuer of NMNs based on allocations requested and pro rata holdings of existing NMN holders ▪ Commitment evidenced through subscription agreement (in substantially the same form as that used for previous taps)
Backstop Arrangements	▪ None
Shares	▪ Shares in Travelex Topco Limited to be issued on a stapled basis as additional new money shares in accordance with the shareholders' agreement relating to Travelex Topco Limited
Travelex TopCo Limited: deadline for audited accounts	▪ Travelex Topco Limited is also seeking shareholder and noteholder consent to extend the current delivery date for the audited 2022 accounts included in its existing notes documentation and shareholders' agreement, with the new backstop delivery date for these accounts being 29 September 2023.

Expected Key Dates relating to the Financing

Expected Key Dates	

Expected Key Dates	▪ 14 March 2023: launch of sixth tap and publication of cleansing materials
	▪ 20 March 2023:
	    ▪ Deadline for indications of subscription amounts from existing NMN holders
	    ▪ Record Date determining holders’ entitlement to participate in the sixth tap. Beneficial holders are required to provide evidence of holdings of NMNs as of this date (which can take the form of a custodian screenshot or similar) or confirmation of no change
	▪ 21 March 2023: deadline for NMN consent process; finalisation of subscription allocations; deadline for shareholder consents (if threshold not already reached before then)
	▪ 27 March 2023: signing of subscription agreement
	▪ 29-31 March 2023: funding of subscription amounts into escrow
	▪ 3 April 2023: issuance of sixth tap issue of additional NMNs