

# Travelex Multi-currency Cash Passport

## Supplementary Document

**Dated:** 12 June 2020

### ABOUT THIS DOCUMENT

This is a supplementary document which relates to the offer of the Multi-currency Cash Passport, a prepaid payment facility, issued by Travelex Card Services Limited (TCSL).

This supplementary document supplements the Travelex Multi-currency Cash Passport Replacement Product Disclosure Statement dated 27 July 2018 (PDS). You can obtain a copy of the PDS and other useful information about this offer from <https://disclose-register.companiesoffice.govt.nz/disclose>.

This supplementary document must be read together with the PDS which has been provided to you.

Words and expressions defined in the PDS are taken to have the same meaning in this supplementary document.

### UPDATE

#### Covid-19

The outbreak of Covid-19 has resulted in the closure of most of the Travelex Group's foreign exchange bureaux globally as it focuses on ensuring the safety and security of its employees, customers and partners, and to comply with various local government requirements (including in New Zealand). These current closures, together with expected significant reductions in airline passenger volumes over coming months, will have a material negative impact on 2020 results of the Travelex Group.

In response, the Travelex Group is implementing a wide range of cost control measures and working with its professional advisers to access various government support measures. The Travelex Group has also approached the landlords of its major global locations, principally airports, and is in constructive discussions regarding rent relief.

#### Stakeholder Discussions

The Travelex Group and its advisers have commenced discussions with certain of the Travelex Group's lenders and their advisers and with the advisers to certain bondholders. These discussions relate to actual and potential breaches of covenants by certain members of the Travelex Group (not including TCSL) that occurred as a consequence of the disruptions caused by Covid-19.

In parallel, the Travelex Group is also exploring various avenues with stakeholders to ensure the Travelex Group has continued access to the funds that it requires for its businesses.

The Travelex Group's 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.

The Board of Travelex Holdings Limited has also advised that it is seeking offers for the possible purchase of the Travelex Group.

The impact that Covid-19 is having on the Travelex Group does not change the trust account arrangements that TCSL has put in place to protect cardholder funds. As set out in the PDS, TCSL has established a trust account to maintain on a daily basis an amount equal to the reported net balance standing to the credit of all prepaid cards on the previous day. If the trust account arrangements operate as intended, the amount held on trust for the benefit of holders of MasterCard branded prepaid cards issued by TCSL should always be sufficient to discharge TCSL's liabilities to those holders. For more information on the trust account arrangements put in place by TCSL, please refer to the PDS.

#### Implications for TCSL

The ramifications of Covid-19 are highly uncertain and, as at the date of this supplementary document, it is difficult to predict the spread or duration of the pandemic.

As TCSL is part of the larger Travelex Group, TCSL is vulnerable to financial and reputational damage by virtue of its association with other members of the Travelex Group. TCSL could suffer financial damage if financial resources are withdrawn from TCSL by its holding company or another member of the Travelex Group. Reputational risk may also arise as a result of a contagion event in respect of another member of the Travelex Group or as a result of TCSL's own actions. The occurrence of such a reputational risk could impact on creditors' perceptions of TCSL and may have a material impact on TCSL's financial position.