

AA Intermediate Co Ltd - Investor Report

This is the Investor Report for the year ended 31 January 2026 (FY26) which we are required to deliver pursuant to paragraph 6 of Part A of Schedule 3 of the Common Terms Agreement.

All figures in the commentary below are as per the AA Intermediate Co Limited statutory accounts, post adoption of new IFRS accountings standards such as IFRS 17 and IFRS 16. We note that the ratios below and the commentary in respect of the Group's debt covenants are calculated after reversing the impact of such GAAP changes as required by the covenant documents.

General Overview

The business is focused on delivering the highest possible standards of customer service, quality products, stable and predictable revenue streams, strong operating margins and high cash generation. The Group continued to demonstrate all of these qualities in the financial year:

- FY26 has been another successful year for the AA, recording our fifth consecutive year of customer, revenue and EBITDA growth. We have further cemented our UK market leadership position with growth in total holdings to 16.4m (up from 16.3m) across our Roadside and Insurance divisions.
- Group revenue increased by 5% from £1,142m in FY25 to £1,203m in FY26, driven by strong performance in our Roadside B2B division, growth in our Drivetechnology, Driving School and SMR businesses and improved B2C add-on sales. In Insurance, lower commissions, reflecting lower risk premiums in the market, have been offset by improved volumes.
- Group Adjusted EBITDA grew 6% from £397m to £420m, with the 5% revenue growth augmented by cost savings across multiple divisions and cost categories. Roadside Adjusted EBITDA increased by 6% from £391m to £414m as a result of top line revenue growth, savings in fuel and mileage and other improved operational efficiencies. Insurance Adjusted EBITDA remained flat at £6m, with revenue growth offset by higher central costs, driven by investments in our capabilities, and strategic investment in acquiring new customers to drive future revenue and EBITDA growth in Broker.
- Operating free cashflow was £266m, an increase of £3m (2025: £269m).
- Total Class A Net Debt to EBITDA was 5.2x as at 31 January 2026 (2025: 5.3x).

Further information is available at www.theaacorporate.com.

Regulatory and Business Update

There have been no new significant regulatory and business developments (including any highly publicised incidents) other than as described in the Financial Statements.

There have been no significant announcements/publications by the government relating to Permitted Business.

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

Michael Wing, Director
Tom Mackay, Chief Financial Officer

Capital Expenditure

Capital Expenditure (excluding Maintenance Capital Expenditure) in the year to 31 January 2026 included growth capital expenditure of £35m.

There has been no other Capital Expenditure (excluding Maintenance Capital Expenditure) in an amount exceeding £5m (Indexed) during the period.

Financing

On 10 February 2025 the Group renewed its £200m Liquidity Facility with an effective date of 5 March 2025. The facility remains undrawn.

On 17 March 2025, the Group entered into a new £70m US Private Placement ('USPP') at a fixed rate of 6.67%. On 18 March 2025, the Group entered into a new floating rate £95m Senior Term Facility ('STF') at 2.50% above SONIA. At the same time, the Group entered into an interest rate swap that exchanges SONIA for a fixed interest rate of 4.06%, thereby fixing the STF at 6.56% through to maturity. The Group also replaced its £56m Working Capital Facility ('WCF') with a new £56m WCF at an interest rate of 2.50% above SONIA. This facility is available until March 2030. £10m is carved out for ancillary facilities and £46m is available for cash drawings. The facility remains undrawn at the reporting date.

On 19 March 2025, the Group used the proceeds from the new STF and new USPP to successfully refinance its existing £165m Senior Term Facility.

On 14 May 2025, the Group redeemed £62m of Class B3 Notes at par using available cash held by the Group. On 31 October 2025 the Group redeemed the remaining £48m of Class B3 Notes at par, again using available cash held by the Group.

On 12 November 2025, the Group issued £375m of Class A13 Notes with a fixed rate of 5.50% and a maturity date of 31 July 2032. The Class A13 Notes were issued at a price of 99.689%, giving proceeds of £374m. The issuance was used to refinance the £325m of Class A8 Notes through a tender offer (£310m in November 2025) and optional redemption (£15m in January 2025). The remaining £50m of proceeds are held as available cash at the balance sheet date.

Post year end financing:

On 4 February 2026, the Group renewed its £200m Liquidity Facility with an effective date of 4 March 2026. The facility remains undrawn.

Current Hedge Position

The Holdco Group has interest rate swaps in place which are used to fully hedge its interest rate exposure in relation to its drawn Authorised Credit Facilities. The Group has currently hedged all of its forecast diesel usage for the year ended 31 January 2027 and c.50% of forecast usage for the year ended 31 January 2028.

Ratios

We confirm that in respect of this investor report dated 22 April 2026, by reference to the most recent Financial Statements that we are obliged to deliver to you in accordance with paragraph 1 (*Financial Statements*) of Part A (*Information Covenants*) of Schedule 3 (*Holdco Group Covenants*) of the Common Terms Agreement:

- the Class A FCF DSCR for the Test Period ending on 31 January 2026 is 2.6x, which is greater than the Trigger Event Ratio Level and Class A Default Ratio Level; we set out the calculation in the Appendix.
- the amount of Additional Financial Indebtedness raised since the date of the immediately preceding Investor report and included for the Test Period ending 31 January 2026 was £50m.
- the amount of Permitted Investor Payments made since the date of the immediately preceding Investor Report was £49.3m. These payments were permitted based on the calculations as set out in the preceding Investor Report dated 8 October 2025.
- The ratio of Total Class A Net Debt to EBITDA at the relevant Test Date (31 January 2026) is 5.23x. This now allows a maximum Permitted Investor Payment of £98.6m to be made; we set out the calculation in the appendix.

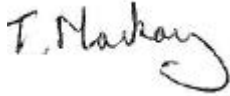
We confirm that each of the above Ratios has been calculated in respect of the Test Period(s) or as at the Test Dates for which it is required to be calculated under the Common Terms Agreement.

Confirmation statements

We confirm that:

- no CTA Default or Trigger Event has occurred and is continuing.
- the Holdco Group is in compliance with the Hedging Policy.
- the amount of Excess Cashflow is £110m. We set out the computation of Excess Cashflow for the preceding Financial Year (FY26) in the appendix.
- the amount of Retained Excess Cashflow as at the date of this Investor Report is £196m.
- we are in compliance with the Obligor Coverage Test.
- below is a list of the Material Companies as at 31 January 2026:
 - Automobile Association Developments Limited
 - Automobile Association Insurance Services Limited
 - AA Corporation Limited
- the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully,



Tom MacKay

Director

For and on behalf of Automobile Association Developments Limited as Holdco Group Agent

22 April 2026

Appendix

Class A FCF DSCR:

£m	12 months to 31 Jan 26
Operating profit before tax	58
Add back:	
Total debt service charges net of interest receivable	147
Exceptional items	20
Depreciation and amortisation	125
Pension adjustment	6
Share-based payments	9
Class A EBITDA	365
Less	
Cash tax paid	(25)
Change in working capital	14
Minimum capital maintenance spend	(44)
Class A Free cash flow	310
Class A total debt service charge	120
Class A FCF DSCR¹	2.6

¹ Calculated on an unrounded basis

Total Class A Net Debt to EBITDA:

	12 months to 31 January 26	£m
Class A Debt:		
STF		95
USPP		70
Class A9		270
Class A10		385
Class A11		400
Class A12		435
Class A13		375
Less:		
Cash and Cash Equivalent Investments		(123)
Total Class A Net Debt		1,907
Class A EBITDA		365
Ratio of Class A Net Debt to EBITDA¹		5.23
Maximum amount of Permitted Investor Payments¹		98.6

¹ Calculated on an unrounded basis

Excess Cashflow

	12 months to 31 January 26
Free Cash Flow	310
Less:	
Exceptional items	(12)
Capital expenditure net of Minimum capital maintenance spend	(22)
Cash consideration on permitted acquisitions and joint venture investment	(2)
Cash payable under pension deficit reduction programme	(24)
Voluntary and mandatory debt repayments	(490)
Proceeds from debt issued and equity contribution	539
Total debt service costs	(129)
Lease capital repayments	(46)
Debt issue fees	(5)
Amounts payable on a Debt Purchase Transaction	-
Share options	(9)
Excess cashflow	110