

AA Intermediate Co Ltd - Investor Report

This is the Investor Report for the six months ending 31 July 2026 (H1 27) 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, IFRS 16 and IFRS 9. 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 profits, strong operating margins and high cash conversion. The Holdco Group continued to demonstrate all of these qualities in the first half of the financial year:

- Roadside Paid personal members increased to 3,353k (FY 26: 3,332k) and business customers increased by 2% to 11.3m (FY 26: 11.1m).
- H1 27 Revenue increased 5% to £619m (H1 26: £590m) driven by growth in holdings and average income per customer.
- H1 27 Adjusted EBITDA increased 6% to £225m (H1 26: £212m) demonstrating the resilience of our operating model despite challenging weather impacting roadside. Insurance growth was driven by strong policy volumes, platform and AI investment and improving retention.
- Net cash inflows from operating activities increased to £182m for the six months ended 31 July 2026 (H1 26: £179m).
- The Total Class A Net Debt to EBITDA ratio was 5.0x as at 31 July 2026 (FY 26: 5.2x)

Further information is available at <https://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 Interim Financial Statements.

There have been no other 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 period to 31 July 2026 included growth capital expenditure of £15m.

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

Financing

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

On 30 July 2026, the Group issued £400m of Class A14 Notes with a fixed rate of 5.95% and a maturity date of 31 July 2030. The issuance was used to refinance the £400m of Class A11 Notes through an optional redemption on 6 August 2026.

On 6 August 2026, the £398m of net proceeds received from the issuance of Class A14 Notes in July 2026 and £2m of available cash were used to redeem in full the £400m of Class A11 Notes. In addition to the £400m principal redemption payment, the business paid a makewhole fee of £18m in accordance with the terms of the Class A11 Notes.

Acquisitions or Disposals

There have been no acquisitions or disposals in the period to 31 July 2026.

Current Hedging Positions

As at 31 July 2026, 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 hedged 91% of forecast diesel usage for the year ended 31 January 2027 and 73% for the year ended 31 January 2028. The Group has also hedged 80% of its forecast exposure to movements in GBP:USD exchange rates within an IT service contract for the year ended 31 January 2027 and for the year ended 31 January 2028.

Ratios

We confirm that in respect of this investor report dated 14 October 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 July 2026 is 2.4x, which is greater than the Trigger Event Ratio Level and Class A Default Ratio Level; we set out the calculation below:

£m	12 months to 31 Jul 26
Operating profit before tax	44
Add back:	
Total debt service charges net of interest receivable	169
Exceptional items	22
Depreciation and amortisation	128
Pension adjustment	6
Share-based payments	7
Class A EBITDA	376
Less	
Cash tax paid	(19)
Change in working capital	(2)
Minimum capital maintenance spend	(44)
Class A Free cash flow	311
Class A total debt service charge	128
Class A FCF DSCR¹	2.4

¹ Calculated on an unrounded basis

- the amount of Additional Financial Indebtedness raised since the date of the immediately preceding Investor report and included for the Test Period ending 31 July 2026 was £nil.
- the amount of Permitted Investor Payments made since the date of the immediately preceding Investor Report was £nil and the ratio of Total Class A Net Debt to EBITDA at the relevant Test Date (31 July 2026) is 5.0x. This now allows a maximum Permitted Investor Payment of £204.5m to be made as set out in the calculation below:

		12 months to 31 July 26
		£m
Class A Debt:		
	STF	95
	USPP	70
	Class A9	270
	Class A10	385
	Class A11	400
	Class A12	435
	Class A13	375
	Class A14	400
Less:	Cash and Cash Equivalent Investments	(570)
Total Class A Net Debt		1,860
Class A EBITDA		375
Ratio of Class A Net Debt to EBITDA¹		5.0
Maximum amount of Permitted Investor Payments¹		204.5

¹ *Calculated on an unrounded basis*

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.

We confirm that:

- no CTA Default or Trigger Event has occurred and is continuing.
- the Borrower is in compliance with the Hedging Policy.
- the amount of Retained Excess Cashflow as at the date of this Investor Report is £306m
- 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

14 October 2026