THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT

AA plc

20 January 2021

The AA Announces Pricing of
£280,000,000 6½% Class B3 Secured Notes due 2050 by the AA Bond Co Limited

The AA plc announces today that AA Bond Co Limited (a subsidiary of AA plc, the ***Issuer***) has priced £280,000,000 aggregate principal amount of Class B3 6½% Secured Notes due 2050 (the ***Notes***), which are expected to close on 29 January 2021 (the ***Offering***).

The gross proceeds from the Offering will, upon issuance of the Notes, be placed into an escrow account. Upon the satisfaction of certain conditions including the completion of the acquisition of AA plc (together with the subsidiaries thereof, the ***Group***) by Basing Bidco Limited, the proceeds will be released from escrow and used (together with, among other things, the proceeds of a £261 million equity contribution intended to be deployed by Basing Bidco Limited) to redeem the outstanding aggregate principal amount of the Issuer's existing Class B2 Notes shortly after the acquisition becomes effective.

Any enquiries in relation to this announcement should be directed to:

Investors:
Katherine Horrell
Group Treasurer
Tel: +44 (0)7513 480458

Zeeshan Maqbool
Head of Investor Relations and Corporate Finance
Tel: +44 (0)20 7395 7301

Media:
FTI Consulting
Attn: Alex Le May, John Waples, Nick Hasell
Tel: +44 (0)20 3727 1340

In accordance with Rule 26 of the City Code on Takeovers and Mergers, copies of this announcement and certain documents relating to the Offering will be made available, subject to certain restrictions relating to persons resident in a jurisdiction where it is unlawful for either document to be distributed, on AA plc's website at https://www.theaaplc.com/investors. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this announcement.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of any securities referred to herein is being made in the United States.

This announcement may not be distributed, directly or indirectly, in or into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. This announcement does not constitute or form part of an offer to sell or issue, or any solicitation of an offer to buy or subscribe for, any securities referred to herein in the United States or in any other jurisdiction. The offer and the distribution of this announcement and other information in connection with the offer in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

*This announcement is directed only persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (iii) are persons falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 in connection with the issue or sale of any Notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.*

Forward-looking statements

This announcement contains statements that constitute forward-looking statements, beliefs or opinions, including statements relating to business, financial condition and results of operations of the Group. These statements may be identified by words such as "expectation", "belief", "estimate", "plan", "target", or "forecast" and similar expressions or the negative thereof; or by the forward-looking nature of discussions of strategy, plans or intentions; or by their context. All statements regarding the future involve known and unknown risks and uncertainties and various factors could cause actual future results, performance or events to differ materially from those described or implied in these statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies as well as the environment in which the Group expects to operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and the Group does not accept any responsibility for the accuracy of the opinions expressed in this announcement or the underlying assumptions. Past performance is not an indication of future results and past performance should not be taken as a representation that trends or activities underlying past performance will continue in the future. The forward-looking statements in this document speak only as at the date of this announcement and the Group and its affiliates expressly disclaim any obligation or undertaking to review or release any updates or revisions to these forward-looking statements to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this announcement or to update or to keep current any other information contained in this document or to provide any additional information in relation to such forward-looking statements, unless required to do so by applicable law.