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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

24 September 2020

AA plc ("AA" or the "Company")

Update on Offer Discussions

The Board of Directors of AA (the "Board") announces the following updates on the status of its discussions in relation to a possible offer for the Company and a potential refinancing of the AA group's indebtedness.

AA confirms that it has consented to a request from TowerBrook Capital Partners (U.K.) LLP and Warburg Pincus International LLC (together the "Consortium") to explore the possibility of a consortium offer for the entire issued and to be issued share capital of the Company. The Consortium has confirmed its strong interest in pursuing a possible all-cash offer for the Company, including an intention to de-lever the AA's capital structure significantly, consistent with the Company's objectives. Any possible offer remains subject to a number of matters including, inter alia, the completion of the Consortium's due diligence and the finalisation of documentation. The Board now intends to progress its discussions with the Consortium regarding a possible offer and a further announcement will be made in due course as appropriate. However, there can be no certainty that any offer will be made for the Company, nor as to the terms on which any offer might be made.

The Company also notes the announcements issued yesterday by Centerbridge Partners Europe, LLP and Platinum Equity Advisors LLC and confirms that, by mutual agreement, discussions with these parties in relation to a possible offer for the Company have now been terminated on the basis described in those announcements.

Notwithstanding any possible offer for the Company, the Board continues to engage with a number of other parties to assess a range of alternative potential refinancing options, including the possibility of raising new equity.

In accordance with Rule 2.6(a) of the Code, the Consortium must, by no later than 5.00 p.m. (London time) on 29 September 2020, either announce a firm intention to make an offer in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. Should the current discussions continue positively, however, the Board currently expects that a further extension of the deadline will be required. Such an extension would only be granted with the consent of the Panel and following a request from the Board, in accordance with Rule 2.6(c) of the Code.

The Company confirms its intention to publish its interim results in respect of the six months ended 31 July 2020 on 29 September 2020.

This announcement is being made without the approval of the Consortium.

The person responsible for arranging the release of this announcement on behalf of AA is Nadia Hoosen, Chief Legal Officer and Company Secretary.

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Publication on website

A copy of this announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.theaapl.com/investors in accordance with Rule 26.1 of the Code by no later than 12 noon (London time) on 2 September 2020. For the avoidance of doubt, the content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.