

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014.

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7 August 2023

AA Senior Co Limited (the “**Borrower**”) today announces the invitation to eligible holders (subject to the “*Offer and Distribution Restrictions*” (as described below)) of the £500,000,000 6.269% Fixed Rate Sub-Class A2 Notes due 2025/2043 issued by AA Bond Co Limited (the “**Issuer**”) (ISIN: XS0949169923), issued in two tranches of which £500,000,000 in aggregate principal amount is outstanding (the “**Notes**”) to tender their Notes for purchase by the Borrower for cash in an aggregate principal amount of no more than the Maximum Acceptance Amount (the “**Offer**”).

The Offer is being made on the terms and subject to the conditions set out in the tender offer memorandum dated 7 August 2023 (the “**Tender Offer Memorandum**”) and is subject to the “*Offer and Distribution Restrictions*” set out below.

Subject to applicable law, the Borrower reserves the right, in its sole and absolute discretion, to extend, re-open, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer as described in the section “*Amendment and Termination*” of the Tender Offer Memorandum, including with respect to any Tender Instructions already submitted as of the time of any such extension, re-opening, withdrawal, termination, amendment or waiver.

Capitalised terms used in this announcement but not otherwise defined have the meanings given to them in the Tender Offer Memorandum.

The table below sets forth certain information relating to the Notes:

Description of the Notes	ISIN / Common Code	Outstanding Principal Amount	Minimum Purchase Price	Purchase Price	Maximum Acceptance Amount
£500,000,000 6.269 per cent. Fixed Rate Sub- Class A2 Notes due 2025/2043 (the “ Notes ”)	Regulation S Notes: XS0949169923 / 094916992	£500,000,000	97.10 per cent. of the principal amount of the Notes	To be determined pursuant to a modified Dutch auction process as set out in the Tender Offer Memorandum	Subject as set out in the Tender Offer Memorandum, an aggregate principal amount of Notes such that the aggregate total Purchase Price payable (for the avoidance of doubt excluding any payment due in respect of Accrued Interest) for such Notes is no greater than £60,000,000

Offer Period

The Offer commences on 7 August 2023 and will end at 16:00 (London time) on 14 August 2023 unless extended by the Borrower, in which case notification to that effect will be given by or on behalf of the Borrower by way of announcement as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

In order to participate in, and be eligible to receive the Purchase Price (and the Accrued Interest Payment) pursuant to the Offer, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 16:00 (London time) on 14 August 2023 (the “**Expiration Deadline**”).

Tender Instructions may be submitted in the form of either a Competitive Offer or a Non-Competitive Offer. Please see the Tender Offer Memorandum for more detail.

Rationale for the Offer

The rationale for the Offer is for the Borrower to use surplus cash to reduce gross debt, to proactively manage its debt maturities, and to offer a liquidity event to Noteholders. Notes purchased by the Borrower pursuant to the Offer will be surrendered to the Issuer for cancellation and will not be re-issued or re-sold. Notes which have not been validly offered and accepted for purchase pursuant to the Offer will remain outstanding.

Purchase Price

The Purchase Price for the Notes will be the cash purchase price, (expressed as a percentage of the principal amount of Notes accepted for purchase pursuant to the Offer and rounded to the nearest 0.10 per cent.) that the Borrower determines in accordance with the modified Dutch auction procedures described in the Tender Offer Memorandum, at which the Notes are accepted for purchase by the Borrower.

The Purchase Price: (i) shall not be less than the higher of: (x) the Minimum Purchase Price; and (y) the highest Offer Price at which Notes are accepted for purchase by the Borrower, and (ii) shall either be the Minimum Purchase Price, or an increment of 0.10 per cent. above the Minimum Purchase Price. Following the Expiration Deadline, and subject to the foregoing, the Borrower will determine the Purchase Price in its sole and absolute discretion.

The Minimum Purchase Price is 97.10 per cent. of the principal amount of the Notes.

Accrued Interest

The Borrower will also pay interest accrued and unpaid on the Notes from (and including) the immediately preceding interest payment (being 31 July 2023) for the Notes to (but excluding) the Settlement Date, calculated in accordance with the Notes Conditions.

Maximum Acceptance Amount and Pro-Ration of the Offer

The Borrower proposes to accept for purchase Notes up to the Maximum Acceptance Amount. The Borrower reserves the right, in its sole and absolute discretion, to purchase more or less than the Maximum Acceptance Amount, subject to applicable law.

In the event that Tender Instructions are received in respect of an aggregate principal amount of Notes which is greater than the Maximum Acceptance Amount, such Tender Instructions will be accepted on a *pro rata* basis, as further detailed in the Tender Offer Memorandum.

Expected Timetable of Events

The following table sets out the expected dates and times of the key events relating to the Offer. This timetable is subject to the right of the Borrower, in its sole and absolute discretion, to extend, re-open, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer, as described in the Tender Offer Memorandum under the heading “*Amendment and Termination*”. Accordingly, the actual timetable may differ significantly from the timetable below.

Events	Times and Dates
	(all times are London time)
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<i>Commencement of the Offer</i>	
Announcement of Offer.	7 August 2023
Tender Offer Memorandum available from the Tender Agent.	
<i>Expiration Deadline</i>	
Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Noteholders to be able to participate in the Offer.	16:00 on 14 August 2023
<i>Announcement of Results</i>	
Announcement of whether the Borrower will accept valid tenders of Notes for purchase pursuant to the Offer and, if so accepted, (i) the aggregate principal amount of the Notes accepted for purchase, (ii) the Purchase Price and (iii) the applicable pro-ration factor if any.	As soon as reasonably practicable on 15 August 2023
<i>Settlement Date</i>	
Expected Settlement Date for the Offer.	17 August 2023
Payment of the Purchase Price and Accrued Interest in respect of the Offer.	

The above times and dates are subject to the right of the Borrower in its sole and absolute discretion to extend, re-open, amend, and/or terminate the Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in this announcement. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions may be earlier than the relevant deadlines specified above.** See “*Procedures for Participating in the Offer*” in the Tender Offer Memorandum.

Participation in the Offer

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information regarding, the procedures for participating in the Offer.

For Further Information

A complete description of the terms and conditions of the Offer is set out in the Tender Offer Memorandum. Further details about the transaction can be obtained from:

DEALER MANAGER

Barclays Bank PLC

1 Churchill Place
London E14 5RB

Telephone: +44 20 3134 8515

Attention: Liability Management Group

Email: eu.lm@barclays.com

TENDER AGENT

Kroll Issuer Services Limited

The Shard

32 London Bridge Street

London SE1 9SG

United Kingdom

Telephone: +44 207 704 0880

Attention: David Shilson

Email: theaa@is.kroll.com

Website: <https://deals.is.kroll.com/theaa>

A copy of the Tender Offer Memorandum is available to eligible persons upon request from the Tender Agent.

This announcement is released by the Borrower and contains information that qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (“MAR”), encompassing information relating to the Offer described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Thomas Mackay, Director at the Borrower.

Disclaimer

This announcement must be read in conjunction with the Tender Offer Memorandum. Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offer, the Notes, the Borrower, the Obligors, the Issuer and the Tender Offer Memorandum) and each Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Offer based upon its own judgement and having obtained advice from such financial, accounting, regulatory, legal and tax advisers as it may deem necessary. Accordingly, each person receiving this announcement and the Tender Offer Memorandum acknowledges that such person has not relied upon the Borrower, the Obligors, the Issuer, the Dealer Manager or the Tender Agent (or any of their respective directors, officers, employees, agents, advisers or affiliates) in connection with its decision as to whether to participate in the Offer. Each such person must make its own analysis and investigations regarding the Offer, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it. If such person is in any doubt about any aspect of the Offer and/or the action it should take, including in respect of any tax consequences, it should consult its professional advisers.

Neither the Dealer Manager nor the Tender Agent (or their respective directors, officers, employees, agents, advisers or affiliates) makes any representation or recommendation whatsoever regarding this announcement, the Tender Offer Memorandum or the Offer, and none of the Borrower, the Obligors, the Issuer, the Dealer Manager or the Tender Agent (or their respective directors, officers, employees, agents, advisers or affiliates) makes any recommendation whatsoever regarding this announcement, the Tender Offer Memorandum or the Offer (including as to whether Noteholders should tender Notes in the Offer and no one has been authorised by any of them to make such recommendation). The Tender Agent is the agent of the Borrower and owes no duty to any Noteholder.

Offer and Distribution Restrictions

This announcement and the Tender Offer Memorandum do not constitute an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and the Tender Offer Memorandum comes are required by each of the Borrower, the Obligors, the Issuer, the Dealer Manager and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United States

The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”).

Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each Noteholder participating in the Offer will represent that it is not located in the United States and it is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of this and the above two paragraphs, “**United States**” means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

Republic of Italy

None of the Offer, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer has been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian laws and regulations.

The Offer is being carried out in the Republic of Italy (“**Italy**”) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Issuer Regulation**”). The Offer is also being carried out in compliance with articles 35-bis, paragraph 7 of the Issuer’s Regulation.

Noteholders or beneficial owners of the Notes that are located in Italy may tender Notes for purchase through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-a-vis its clients in connection with the Notes or the Offer.

United Kingdom

The communication of this announcement and the Tender Offer Memorandum by the Borrower and any other documents or materials relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to, and may only be acted upon by, those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”)) or persons who are within Article 43 or 49 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Tender Offer Memorandum and any other document or material relating to the Offer have only been and shall only be distributed in France to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129. The Tender Offer Memorandum has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

General

Neither this announcement nor the Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and a Dealer Manager or any of its respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Borrower in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offer will also give certain representations in respect of the other jurisdictions referred to above and generally as set out in the section “*Procedures for Participating in the Offer*” in the Tender Offer Memorandum.

Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations will not be accepted.

Each of the Borrower, the Issuer, the Obligors, the Dealer Manager and the Tender Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Borrower determines (for any reason) that such representation is not correct, such tender shall not be accepted.