



The AA's new partnership with Stonepeak to accelerate the next phase of growth

Basingstoke, England & New York, NY - The AA has announced that Stonepeak, a leading alternative investment firm specializing in infrastructure and real assets, has entered into an agreement with the AA, and its majority shareholders, TowerBrook Capital Partners ("TowerBrook") and Warburg Pincus. Per the agreement, Stonepeak will invest £450 million in the AA through a combination of common and preferred equity at an enterprise value of approximately £4 billion. Following this investment Warburg Pincus, a global growth investor, and TowerBrook, a purpose-driven transatlantic investment management firm, will remain the majority shareholders of the AA.

The AA is the leading provider of roadside assistance services in the UK with a nationwide network of patrols and garages serving 14 million members. It also has a successful insurance business and a wide range of propositions across the driving category. This investment underscores Stonepeak's confidence in the continued progress the AA has made on its strategy since it was taken private in March 2021 under the leadership of TowerBrook, Warburg Pincus, and its new management team. Since that time, the AA has completed the first phase of its strategy, returning the business to growth and accelerating its profitability. The additional capital from Stonepeak will allow the AA to strengthen its balance sheet and support investment in further growth and innovation. Warburg Pincus and TowerBrook will continue to work in partnership with the AA and Stonepeak, to support the next phase of the company's growth strategy.

Jakob Pfaudler, CEO of the AA, commented, *"We are delighted to welcome Stonepeak as a new shareholder in the AA, as they bring a wealth of skills and expertise in transportation and critical infrastructure. We look forward to working with them and our current owners, TowerBrook and Warburg Pincus, as we embark on the next stage of our strategy. We have strong momentum, having recently reported positive revenue, profit, and customer growth, and we are excited about the future prospects of the business. This investment allows us to further deleverage whilst continuing to invest in our customers and people as we build a more digitised service offer to create long-term value for all our stakeholders."*

Nikolaus Woloszczuk, Senior Managing Director at Stonepeak, commented, *"We view the AA as a critical provider of transport services, underpinned by its unique network of nationwide patrols, and we are delighted to be investing to support this essential piece of the UK's transportation system. With its market leading position, scale, iconic brand, and the resilient nature of its underlying market, we believe that the AA has the right fundamentals in place to accelerate growth, and we look forward to working with the AA, Warburg Pincus, and TowerBrook, as the company continues its development."*

This transaction is expected to close in the first half of 2024, subject to customary closing conditions including the receipt of regulatory approvals.

About the AA

The AA is the UK's leading provider of roadside assistance, with approximately 2,700 patrols attending an average of around 9,400 breakdowns daily. The Roadside business includes many other services, which enrich membership, including Driving Services through the AA's Driving School and BSM platforms, and DriveTech, the market leader in driver education. AA Smart Care provides peace of mind when booking a MOT, maintenance, service and repair by only using AA inspected and approved garages. The AA's insurance broker focuses primarily on motor and home policies, operating a diverse panel of underwriters including the AA's in-house underwriter. The Insurance division also includes the AA's Financial Services

About Stonepeak

Stonepeak is a leading alternative investment firm specializing in infrastructure and real assets with approximately \$57.9 billion of assets under management. Through its investment in defensive, hard-asset businesses globally, Stonepeak aims to create value for its investors and portfolio companies, with a focus on downside protection and strong risk-adjusted returns. Stonepeak sponsors investment

vehicles focused on private equity and credit. The firm provides capital, operational support, and committed partnership to grow investments in its target sectors, which include communications, energy and energy transition, transport and logistics, social infrastructure, and real estate. Stonepeak is headquartered in New York with offices in Hong Kong, Houston, London, Singapore, and Sydney.

For more information, please visit www.stonepeak.com.

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