RAC Group Limited
RAC House, Brockhurst Crescent, Bescot, Walsall, WS5 4AW

28 August 2026

INVESTOR REPORT

To: Deutsche Trustee Company Limited as Obligor Security Trustee, Issuer Security Trustee and Class A Note Trustee
Deutsche Bank AG, London as STF Facility Agent and WCF Agent
RAC Bond Co PLC as Issuer
Banco Santander S.A. (London Branch) and Barclays Bank PLC as Borrower Hedge Counterparties
Standard & Poor's Credit Market Services Europe Limited as Rating Agency

From: RAC Group Limited as Holdco Group Agent

General Overview

RAC Bond Co PLC has today reported the unaudited consolidated results of RAC Bidco Limited ("Group") for the six months ended 30 June 2026.

A summary of the Group's performance for the six months ended 30 June 2026 ("H1 2026") is set out below.

Highlights

- Memberships reached 15.9m (H1 2025: 15.0m), increasing by 0.4m in the period and 0.9m year on year
- Revenue increased 6% to £436m (H1 2025: £411m), with total annual recurring revenue also up 6%
- EBITDA increased 12% to £170m (H1 2025: £152m), on track for a 15th consecutive year of growth
- EBITDA margin increased 200bps to 39.0% (H1 2025: 37.0%), driven by strong operating leverage
- EBIT increased 10% to £126m (H1 2025: £115m), with EBIT margin up 90bps to 28.9% (H1 2025: 28.0%)
- Net cash flows from operating activities were £149m (H1 2025: £159m), cash conversion 86% (H1 2025: 110%)
- Leverage reduced to 3.8x (H1 2025: 4.6x)
- Maintained our "Excellent" Trustpilot rating for service across all three divisions
- Further strategic progress, strengthening RAC's position as a leading UK driving services provider

Outlook

RAC enters the second half of 2026 with strong momentum and is well positioned for sustainable growth. The Group has increased memberships and total annual recurring revenue, expanded margins, scaled SMR and continued to improve efficiency through disciplined pricing, digital investment and operational execution. Together with strong cash generation and reducing leverage, this supports confidence in the outlook for the remainder of 2026 and in delivering a 15th consecutive year of EBITDA growth.

Regulatory and business update

Business Update

- No changes in RAC Bidco Ltd Group structure in H1 2026, with no acquisitions or disposals
- No change in "Permitted Business"
- No changes to the Board of Directors in the period.

Regulatory/Legislative Update

The Group includes regulated entities that are required to maintain sufficient capital to meet regulatory solvency requirements established by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA"). The Group remained compliant with these requirements throughout the period.

During the period, the annual Consumer Duty report concluded that the Board could reasonably evidence delivery of good outcomes for retail customers and highlighted improvements in a range of customer outcomes achieved through proactive initiatives.

Capital Expenditure

- Capital Investment totalled £42m during the period (H1 2025: £37m)
- Of this amount, £27m (H1 2025: £22 million) relates to insurance acquisition cash flows and contract costs (i.e. includes commissions paid to third parties for sales)
- £15 million (H1 2025: £15 million) relates to investment in our strategic initiatives, digital offerings and improvements to service

Financing Position

Interest rate risk on the floating rate Senior Term Facility is appropriately hedged in accordance with the Hedging Policy set out in the Common Terms Agreement through an interest rate swap and the hedge remains effective.

The table below sets out the current funding position as at 30 June 2026:

Facility	£million	Due	Coupon / Interest
Class A3 Notes	250	November 2028	8.250%
Class A4 Notes	400	November 2029	5.750%
Class B2 Notes	345	November 2027	5.250%
2021 Senior Term Facility	95	June 2028	2.500% + SONIA
2024 Senior Term Facility	205	January 2029	3.000% + SONIA
2025 Senior Term Facility	40	January 2029	3.000% + SONIA
US Private Placement	50	June 2030	6.490%
Drawn debt	**1,385**		
Additional committed facilities:			
Working Capital Facility	50	January 2029	3.000% + SONIA
Liquidity Facility	100	Annual renewal	2.250% + SONIA

No changes were made to the debt instruments during the period

Ratios

We confirm that in respect of this investor report dated 28 August 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 2 (Holdco Group Covenants) of the Common Terms Agreement:

(a) the Class A FCF DSCR in respect of the relevant Test Period is equal to 4.25; and

(b) the amount of Additional Financial Indebtedness raised since the date of the immediately preceding Investor Report was £nil;

(together the *Ratios*).

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 and is set out below:

Class A FCF DSCR for the year ended 30 June 2026

Class A FCF has been calculated as:

	£m
EBITDA[1]	325.5
Cash tax paid	(24.7)
Decrease in working capital	(17.8)
Minimum capital maintenance spend	(8.0)
Increase in restricted cash	(0.6)
Class A FCF	**274.4**

Class A Total Debt Service Charges has been calculated as:

	£m
Accrued interest	66.9
Commitment fees on WCF and LF	1.7
Interest received on cash equivalents	(4.0)
Class A Total Debt Service Charges	**64.6**
Ratio Class A FCF DSCR at 30 June 2026	**4.25**

We confirm that:

(a) no CTA Default or Trigger Event has occurred and is continuing;
(b) the Borrower is in compliance with the Hedging Policy;
(c) the amount of Retained Excess Cashflow as at the date of this Investor Report is £149.6 million;
(d) the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully

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Dave Hobday, Chief Executive Officer
For and on behalf of
RAC Group Limited as Holdco Agent

Jo Baker, Chief Financial Officer

[1] EBITDA of £325.5m is stated excluding the uplift in the consolidated operating profits of the Holdco Group for the relevant period arising as a result of the adoption of IFRS 16 'Leases' in the consolidated financial statements.